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LEGISLATIVE HISTORY

Public Law 545
H. R. 7030

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INDEX AND SUMMARY OF H. R. 7030

March 31, 1955	Rep. Hope introduced H. R. 5406 which was referred to the House Committee on Agriculture. Print of bill.
April 1, 1955	Sen. Ellender (and others) introduced S. 1635 which was referred to the Senate Committee on Finance. Remarks of Sen. Ellender. Print of bill.
April 26, 1955	Sen. Magnuson submitted proposed amendments to S. 1635. Print of amendments.
June 27, 1955	Rep. Cooley introduced H. R. 7030 which was referred to the House Committee on Agriculture. Print of bill.
July 21, 1955	House committee ordered reported with amendments H. R. 7030.
July 25, 1955	House committee reported with amendment H. R. 7030. House Report No. 1348. Print of bill and report.
July 28, 1955	House Rules Committee reported resolution for consideration of H. R. 7030. H. Res. 328. Print of resolution.
July 29, 1955	House agreed to resolution for consideration of H. R. 7030. Rep. Utt inserted testimony of Oscar Chapman.
July 30, 1955	House passed with amendments H. R. 7030.
Aug. 1, 1955	Senate discussed H. R. 7030. Senate committee ordered reported S. 1635.
Aug. 2, 1955	Senate discussed H. R. 7030. Senate agreed to S. Res. 147 favoring purchase by Commodity Credit Corp. of sugar in continental U. S. H. R. 7030 referred to Senate Finance Committee. Print of bill as referred.
Jan. 12, 1956	Sen. Magnuson submitted amendments.
Jan. 26, 1956	Senate Finance Committee reported H.R. 7030 with amendment. Senate Report No. 1461. Print of bill and report.
Feb. 7, 1956	Senate began debate on H. R. 7030.
Feb. 8, 1956	Senate passed H. R. 7030 with amendments. Senate conferees appointed. Print of bill as passed by Senate.

Mar. 15, 1956 House disagreed with Senate amendments to H.R. 7030.
House conferees appointed.
Reps. Thomson and Miller urged expeditious action.

May 9, 1956 Sen. Millikin was appointed conferee to replace Sen.
Martin.

May 14, 1956 Conferees (on Sat., May 12) agreed to file report.

May 16, 1956 House received conference report. House Report No.
2174. Print of report.

May 17, 1956 Both Houses agreed to conference report.

May 29, 1956 Approved: Public Law 545, 84th Cong.

(Copies of all printed amendments received are included in history)

*HEARINGS: House AGRICULTURE Committee
ON H.R. 5406*

DIGEST OF PUBLIC LAW 545

AMENDMENTS TO THE SUGAR ACT OF 1948. Extends this Act for 4 years, until December 31, 1960. Restores to domestic areas the right to supply 55 percent of the market growth in consumption of sugar, as compared with 45 percent for foreign areas. Assigns the first 165,000 tons of increase in domestic sugar quotas on the basis of 51.5 percent to the domestic beet area and 48.5 percent to the mainland cane area, with the next 20,000 tons of increase apportioned to Puerto Rico, the next 3,000 tons of increase to the Virgin Islands, and with further increases in domestic quotas prorated among the five domestic areas. Allocates the 45 percent of market growth assigned to foreign countries during the next 4 years on the basis of 29.6 percent for Cuba and 15.4 percent for other foreign countries. Retains the present sugar quota of 980,000 tons for the Philippines for the next 4 years. Other changes effected by the act are principally of an administrative or technical nature.

REPORT OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS OF THE COMPANY has the honor to acknowledge the receipt of the report of the management for the year ending December 31, 1900. The report is a most interesting and valuable one, and it is a pleasure to find that the management has been able to maintain the position of the company as one of the leading ones in the world. The report shows that the company has been able to increase its capital and to improve its management, and it is a pleasure to find that the company has been able to maintain its position as one of the leading ones in the world. The report also shows that the company has been able to increase its profits and to improve its management, and it is a pleasure to find that the company has been able to maintain its position as one of the leading ones in the world. The report also shows that the company has been able to increase its profits and to improve its management, and it is a pleasure to find that the company has been able to maintain its position as one of the leading ones in the world.

H. R. 5406

IN THE SENATE OF THE UNITED STATES

March 1, 1907

REPORT OF THE SELECT COMMITTEE ON THE PETITION OF THE
UNITED STATES OF AMERICA

A BILL

To amend the act of August 5, 1906, to amend the
act of August 5, 1906

1. That the Secretary of the Interior be and he is authorized to
2. amend the act of August 5, 1906, to amend the act of August 5, 1906
3. That section 2 of the act of August 5, 1906, be amended to read
4. as follows:
5. (a) (1) For the purpose of the act of August 5, 1906, the

H. R. 5406

IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 1955

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend and extend the Sugar Act of 1948, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 202 (a) of such Act is amended to read as
4 follows:

5 “(a) (1) For domestic sugar-producing areas, begin-
6 ning with the calendar year 1955, by apportioning among
7 such areas four million six hundred and nine thousand short
8 tons, raw value, as follows:

“Area	Short tons, raw value
Domestic beet sugar-----	1, 885, 000
Mainland cane sugar-----	580, 000
Hawaii -----	1, 052, 000
Puerto Rico-----	1, 100, 000
Virgin Islands-----	15, 000

1 “(2) To the above total of four million six hundred
2 and thirty-two thousand short tons, raw value, there shall be
3 added—

4 “(A) for the calendar year 1955 an amount equal
5 to 55 per centum of the amount by which the Secretary’s
6 determination of the requirements of consumers in the
7 continental United States for such calendar year exceeds
8 eight million three hundred and eighty-eight thousand
9 short tons, raw value; and

10 “(B) for the calendar year 1956 and for each
11 subsequent calendar year an amount equal to 55 per
12 centum of the amount by which the Secretary estimates
13 that actual sugar consumption for the preceding twelve
14 months ending October 31 exceeded eight million three
15 hundred and eighty-eight thousand short tons, raw value.
16 Such additional amount shall be apportioned among and
17 added to the quotas established under paragraph (1) of this
18 subsection for such domestic sugar-producing areas, respec-
19 tively, in the proportion that the several quotas established
20 under such paragraph for such areas bear to the total of the
21 quotas established under such paragraph for such areas.”

22 SEC. 2. (a) The second sentence of section 204 (a)
23 of such Act is amended by inserting before the period at the
24 end thereof a colon and the following: “*Provided*, That any
25 deficit in any domestic sugar-producing area occurring by

1 reason of inability to market that part of the quota for such
2 area allotted under the provisions of section 202 (a) (2)
3 shall first be prorated to other domestic areas on the basis of
4 the quotas then in effect.”.

5 (b) The last paragraph of such section is amended by
6 inserting before the period at the end thereof a semicolon
7 and the following: “except that in the case of proration of
8 any such deficit in any domestic sugar-producing area oc-
9 curring by reason of inability to market that part of the
10 quota for such area allotted under and by reason of section
11 202 (a) (2), the Secretary shall apportion the unfilled
12 amount on such basis and to such other domestic areas as he
13 determines is required to fill such deficit, and if he finds that
14 no domestic area will be able to fill such unfilled amount, it
15 shall be added to the quota for Cuba”.

16 SEC. 3. (a) Section 207 (a) of such Act is amended
17 by adding after the word “year” the following: “, plus an
18 amount equal to the same percentage of twenty-nine thou-
19 sand six hundred and sixteen short tons, raw value, that the
20 increase in the quota for Hawaii under section 202 (a) (2)
21 is of the quota for Hawaii established under section 202
22 (a) (1),”.

23 (b) Section 207 (b) of such Act is amended by adding
24 after the word “year” the following: “, plus an amount
25 equal to the same percentage of one hundred twenty-six

1 thousand and thirty-three short tons, raw value, that the
2 increase in the quota for Puerto Rico under section 202 (a)
3 (2) is of the quota for Puerto Rico established under section
4 202 (a) (1),”.

5 SEC. 4. Section 411 of such Act (relating to termina-
6 tion of the powers of the Secretary under the Act) is
7 amended by striking out “1956” in each place it appears
8 therein and inserting in lieu thereof “1962”.

9 SEC. 5. Sections 4501 (c) and 6412 (d) (relating
10 to the termination of taxes on sugar) of the Internal
11 Revenue Code of 1954 are amended by striking out “1957”
12 in each place it appears therein and inserting in lieu thereof
13 “1963”.

A BILL

To amend and extend the Sugar Act of 1948, as amended, and for other purposes.

By Mr. HOPE

MARCH 31, 1955

Referred to the Committee on Agriculture

IN THE SENATE OF THE UNITED STATES

APRIL 1 (legislative day, MARCH 10), 1955

Mr. ELLENDER (for himself, Mr. BENNETT, Mr. GEORGE, Mr. HAYDEN, Mr. MURRAY, Mr. CHAVEZ, Mr. LANGER, Mr. MILLIKIN, Mr. EASTLAND, Mr. MAGNUSON, Mr. MORSE, Mr. YOUNG, Mr. HOLLAND, Mr. BRICKER, Mr. MALONE, Mr. THYE, Mr. WATKINS, Mr. STENNIS, Mr. LONG, Mr. MUNDT, Mr. HUMPHREY, Mr. KERR, Mr. SCHOEPPEL, Mr. DWORSHAK, Mr. CLEMENTS, Mr. CARLSON, Mr. CASE of South Dakota, Mr. WELKER, Mr. POTTER, Mr. KUCHEL, Mr. BARRETT, Mr. DANIEL, Mr. GOLDWATER, Mr. JACKSON, Mr. MANSFIELD, Mr. SYMINGTON, Mr. HRUSKA, Mr. O'MAHONEY, Mr. CURTIS, Mr. ALLOTT, Mr. MARTIN of Iowa, Mr. NEUBERGER, Mr. BENDER, Mr. JOHNSTON of South CAROLINA, Mr. THURMOND, Mr. MCCARTHY, Mr. SCOTT, Mr. NEELY, and Mr. LEHMAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend and extend the Sugar Act of 1948, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 202 (a) of such Act is amended to read as
4 follows:

5 “(a) (1) For domestic sugar-producing areas, begin-
6 ning with the calendar year 1955, by apportioning among

1 such areas four million six hundred and thirty-two thousand
 2 short tons, raw value, as follows:

"Area	Short tons, raw value
Domestic beet sugar-----	1, 885, 000
Mainland cane sugar-----	580, 000
Hawaii -----	1, 052, 000
Puerto Rico-----	1, 100, 000
Virgin Islands-----	15, 000

3 “(2) To the above total of four million six hundred and
 4 thirty-two thousand short tons, raw value, there shall be
 5 added—

6 “(A) for the calendar year 1955 an amount equal
 7 to 55 per centum of the amount by which the Secre-
 8 tary's determination of the requirements of consumers
 9 in the continental United States for such calendar year
 10 exceeds eight million three hundred and eighty-eight
 11 thousand short tons, raw value; and

12 “(B) for the calendar year 1956 and for each
 13 subsequent calendar year an amount equal to 55 per
 14 centum of the amount by which the Secretary estimates
 15 that actual sugar consumption for the preceding twelve
 16 months ending October 31 exceeded eight million three
 17 hundred and eighty-eight thousand short tons, raw value.

18 Such additional amount shall be apportioned among and
 19 added to the quotas established under paragraph (1) of
 20 this subsection for such domestic sugar-producing areas,
 21 respectively, in the proportion that the several quotas estab-

1 lished under such paragraph for such areas bear to the total
2 of the quotas established under such paragraph for such
3 areas.”

4 SEC. 2. (a) The second sentence of section 204 (a) of
5 such Act is amended by inserting before the period at the
6 end thereof a colon and the following: “*Provided*, That any
7 deficit in any domestic sugar-producing area occurring by
8 reason of inability to market that part of the quota for
9 such area allotted under the provisions of section 202 (a)
10 (2) shall first be prorated to other domestic areas on the
11 basis of the quotas then in effect.”.

12 (b) The last paragraph of such section is amended by
13 inserting before the period at the end thereof a semicolon
14 and the following: “except that in the case of proration of
15 any such deficit in any domestic sugar-producing area occur-
16 ring by reason of inability to market that part of the quota
17 for such area allotted under and by reason of section 202
18 (a) (2), the Secretary shall apportion the unfilled amount
19 on such basis and to such other domestic areas as he de-
20 termines is required to fill such deficit, and if he finds that
21 no domestic area will be able to fill such unfilled amount, it
22 shall be added to the quota for Cuba”.

23 SEC. 3. (a) Section 207 (a) of such Act is amended by
24 adding after the word “year” the following: “, plus an
25 amount equal to the same percentage of twenty-nine thou-

1 sand six hundred and sixteen short tons, raw value, that the
2 increase in the quota for Hawaii under section 202 (a) (2)
3 is of the quota for Hawaii established under section 202
4 (a) (1),”.

5 (b) Section 207 (b) of such Act is amended by adding
6 after the word “year” the following: “, plus an amount equal
7 to the same percentage of one hundred twenty-six thousand
8 and thirty-three short tons, raw value, that the increase in
9 the quota for Puerto Rico under section 202 (a) (2) is of
10 the quota for Puerto Rico established under section 202
11 (a) (1),”.

12 SEC. 4. Section 411 of such Act (relating to termina-
13 tion of the powers of the Secretary under the Act) is
14 amended by striking out “1956” in each place it appears
15 therein and inserting in lieu thereof “1962”.

16 SEC. 5. Sections 4501 (c) and 6412 (d) (relating to
17 the termination of taxes on sugar) of the Internal Revenue
18 Code of 1954 are amended by striking out “1957” in each
19 place it appears therein and inserting in lieu thereof “1963”.

A BILL

To amend and extend the Sugar Act of 1948,
as amended, and for other purposes.

By Mr. ELLENDER, Mr. BENNETT, Mr. GEORGE, Mr. HAYDEN, Mr. MURRAY, Mr. CHAVEZ, Mr. LANGER, Mr. MURKIN, Mr. EASTLAND, Mr. MAGNUSON, Mr. MORSE, Mr. YOUNG, Mr. HOLLAND, Mr. BRICKER, Mr. MALONE, Mr. TAYLOR, Mr. WATKINS, Mr. STENNIS, Mr. LONG, Mr. MUNDT, Mr. HUMPHREY, Mr. KERR, Mr. SCHOEPPEL, Mr. DWORSHAK, Mr. CLEMENTS, Mr. CARLSON, Mr. CASE of South Dakota, Mr. WELKER, Mr. POTTER, Mr. KUCHEL, Mr. BARRETT, Mr. DANIEL, Mr. GOLDWATER, Mr. JACKSON, Mr. MANSFIELD, Mr. SYMINGTON, Mr. HRUSKA, Mr. O'MAHONEY, Mr. CURTIS, Mr. ALLOTT, Mr. MARTIN of Iowa, Mr. NEUBERGER, Mr. BENDER, Mr. JOHNSTON of South Carolina, Mr. THURMOND, Mr. MCCARTHY, Mr. SCOTT, Mr. NEELY, and Mr. LEHMAN

APRIL 1 (legislative day, March 10), 1955

Read twice and referred to the Committee on Finance

adversely affected. However, the bill is not limited to those crops. It relates to any farmer or producer whose crop is destroyed by natural causes.

I read the caption of the bill:

To provide relief to farmers and farm-workers suffering crop losses or loss of employment because of damage to crops caused by drought, flood, hail, frost, freeze, wind, insect infestation, plant diseases, or other natural causes.

The bill would afford relief to the producers of any crop in any part of the United States where this method might be available as a means of alleviating distress and privation suffered by those who are compelled to gamble with the elements and with nature as they produce the food we eat and the clothes we wear and enable all of us to exist on this earth.

Mr. LANGER. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. LANGER. Does the bill provide for incentive payments and crop insurance?

Mr. RUSSELL. It does not; it does not go that far. I have kept it as simple as I could, because time is of the very essence, as the Senator knows, and if we were thrown into lengthy hearings on those features, I fear relief would not be afforded to those who have seen their year's work wiped out overnight and who would be forced to contemplate this year as a year of distress. Unless relief is afforded they will be driven from their farms. For many years the great majority of our people lived on farms. Then the number was cut down to approximately 50 percent. When I came to the Congress it was about 29 percent. It is now only 15 percent. Unless we do something to permit those people to exist on the farms, they will be driven into the cities. They cannot stand idly by and see their children starve.

Mr. LANGER. I wish to compliment the Senator from Georgia, and I ask that I may be permitted to be a cosponsor of his bill.

Mr. RUSSELL. I shall be very glad to have the Senator as a cosponsor. I know the Senator's heart goes out to those in distress, wherever they may be.

Mr. THURMOND subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by me dealing with the bill, introduced by the Senator from Georgia [Mr. RUSSELL] and cosponsored by me, to provide relief to farmers and farm workers suffering crop losses or loss of employment because of damage to crops caused by natural disasters.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND

Two weeks ago, South Carolina's peach growers in several sections of the State suffered the loss, not only of this year's crop of peaches, but also of the loss of trees up to several year's age as a result of devastating hail and wind storms. I immediately consulted officials of the Department of Agriculture and requested that surveys be made in order that the effected areas might be declared eligible for emergency loans. That was done.

But this past weekend, another natural disaster struck the entire State of South Carolina. A killing freeze destroyed the entire peach crop of the State and damaged vegetable crops to an extent yet to be determined. At my request, Department of Agriculture officials have declared producers over the entire State eligible for emergency assistance.

But this is not enough. In 1953 South Carolina produced and marketed fruits and vegetables totaling \$29,715,000. In 1954 South Carolina's total production of fruits and vegetables amounted to \$24,771,000.

I should like to point out that the State of South Carolina produces and ships to market more fresh peaches than any other State in the Union according to official Department of Agriculture records. South Carolina's peach crop alone, which was destroyed by the freeze, was estimated to be worth \$10 million, more than one-third of the total value of fruit and vegetable crops grown commercially in the State. This means, Mr. President, that more than one-third—nearly one-half of the income of growers from fresh fruits and vegetables was destroyed last weekend. Damage to other crops probably will increase this loss.

It should also be pointed out that while a normal crop of peaches in my State is valued at approximately \$10 million, during recent years past growers have lost their entire crops several times. Consequently, this has greatly reduced the average income from this crop. This reduced average means that many growers have had to secure substantial loans during the bad years and, therefore, some are now faced with disaster unless additional assistance is given above that now provided by law.

This means, too, that thousands of farm and orchard workers will be thrown out of employment unless it is possible to provide compensating acreage to those who have suffered these disasters.

I want to urge that quick action be taken and this bill be given prompt passage. Only by such action can we provide the relief essential for those who have lost their crops and their jobs.

EXTENSION OF SUGAR ACT OF 1948

Mr. ELLENDER. Mr. President, on behalf of myself and 47 of my colleagues, I introduce a bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

I ask unanimous consent that following my remarks there may be printed in the RECORD an explanation of the bill.

I request that any other Senators who desire to join in cosponsoring the bill may do so up to 5 o'clock today.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD, and the bill will lie on the desk for additional cosponsors, as requested by the Senator from Louisiana.

The bill (S. 1635) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, introduced by Mr. ELLENDER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

The statement presented by Mr. ELLENDER is as follows:

STATEMENT BY SENATOR ELLENDER

The proposed amendment to the Sugar Act of 1948, as amended, would accomplish the following:

1. Make the following immediate increases in basic domestic-sugar quotas:

Domestic beet, 85,000 tons (to total of 1,885,000 tons).

Mainland cane 80,000 tons (to total of 580,000 tons).

Puerto Rico, 20,000 tons (to total of 1,100,000 tons).

Virgin Islands, 3,000 tons (to total of 15,000 tons).

(Hawaii has not asked for an immediate increase in her basic quota of 1,052,000 tons.)

2. Apply a growth formula on all increases in annual consumption above 8,388,000 tons (the increase in basic domestic quotas plus 8,200,000 tons, the Department of Agriculture's initial consumption estimate for 1955).

The formula: Prorate among domestic producers, according to their basic quotas, 55 percent of the increase in annual consumption and 45 percent among foreign suppliers. (This is approximately the historic division of the market before the 1948 act.)

3. Provide that if any domestic area cannot meet its quota under the growth formula, other domestic areas will have first chance at making up the deficit. If they cannot, the unfilled amount would be allocated to Cuba.

4. Increase direct consumption quotas for Hawaii and Puerto Rico proportionately with their participation in the growth formula.

5. Extend the act to December 31, 1962.

Why the action is urgent now:

Present fixed quotas, accepted on a temporary basis under the 1948 act to help Cuba make her adjustment to reasonable postwar production levels a gradual process, are now causing a severe hardship on the domestic-sugar industry. Improved farming methods and applied research have increased per acre domestic yields to such an extent that production last year exceeded rigid ceilings in spite of reduced planting. Further drastic cuts in beet and cane acreages are impractical. Many veterans in new Government-sponsored irrigation projects can get no sugar-beet acreage allotments at all. Producers are burdened with large inventories.

In 1948, when the present rigid quotas became effective, our total annual sugar consumption amounted to 7,200,000 tons. The Department of Agriculture has announced an initial estimate of requirements for 1955 of 8,200,000 tons, with a forecast that our final requirements this year will amount to 8,500,000 tons. All the growth in the United States market will continue to go to foreign nations (96 percent of it to Cuba) unless the law is changed. The proposed amendment would not, however, reduce the present volume of sugar imports from any foreign country, including Cuba, but would assure their imports to continue growing as United States consumption grows.

WHY DOMESTIC SUGAR PRODUCERS NEED LARGER QUOTAS NOW

1. Domestic sugar industry now does not share in the growth of our country.

For 7 years, United States sugar-beet farmers and mainland sugarcane farmers have been denied any share in the growth of our country. The Sugar Act of 1948, under which United States sugar marketing quotas are still determined, put fixed ceilings on the amount of sugar American producers can market in their own country. Beet-sugar producers can market no more than 1,800,000 tons and mainland cane producers can market no more than 500,000 tons of sugar in 1 year.

In 1948, when these quotas became effective, our total annual sugar requirements amounted to 7,200,000 tons. The Department of Agriculture has announced an initial estimate of requirements for 1955 of 8,200,000 tons, with a forecast that our final requirements this year will amount to 8,500,000 tons. Despite this increase of at least a million tons in our annual sugar requirements, domestic beet-sugar producers and mainland cane-sugar producers still can market no more than their 1948 quotas.

Effective in 1953, 2 domestic cane areas—Puerto Rico and the Virgin Islands—had their quotas increased by 176,000 tons. Other than that, all the increase in the growth of the United States sugar market since 1947 has gone to foreign countries, and virtually all of it to 1 country—Cuba. (The United States last year imported from Cuba more than 2,700,000 tons, about one-third of our total needs.)

All the increase in the growing United States sugar market will continue to go to foreign countries unless the present law is changed.

2. Temporary concessions to help Cuba made by Congress in 1948 law.

From the beginning of American sugar quota legislation in 1934 until the 1948 act went into effect, the law provided for domestic sugar producing areas to share in the growth of the United States sugar market. Domestic sugar producers temporarily relinquished this historic and just right in 1948 in order to help Cuba make a gradual adjustment downward from high wartime levels of production.

Congress also made other important temporary concessions to Cuba in the 1948 act so her adjustment to the inevitable postwar situation of reduced demand for her sugar could be gradual. Cuba was authorized to market 95 percent of the amount by which the Philippine industry, almost completely destroyed by the war, would fall short of its quota while it was rebuilding. Cuba was given the right to continue to share with domestic areas in making up deficits that might occur in any domestic areas. Cuba has marketed some 5,250,000 extra tons of sugar in the United States—almost 30 percent more than her basic quota—as the direct result of the special provisions of the Sugar Act of 1948.

Instead of using the opportunity thus afforded to adjust her production downward, Cuba increased her production. In 1952 she let production soar to 8,000,000 tons—1,500,000 tons more than she produced in 1947, and 2,000,000 tons more than anyone could see a market for anywhere in the world. This 2,000,000-ton surplus has plagued all sugar-producing countries in the world ever since.

3. Higher yields and rigid quotas create acute situation for domestic industry.

The present critical situation of the domestic beet and mainland cane areas has resulted from a combination of the increasing yields per acre, brought about by technological advances, and the temporary waiver for Cuba's benefit of the domestic areas' historic right to share in the growth of the American market.

Improved technology, more efficient farming methods, and the application of research findings have increased sugarcane tonnage per acre more than 16 percent, and sugar beet tonnage per acre 20 percent, since 1948. Under the Sugar Act, domestic areas have always been subject to acreage restrictions and marketing controls, and during the last 2 years these restrictive measures have been sharply applied in a strenuous effort to keep production down to the rigid marketing quotas.

Last year, sugar beet acreage was 10 percent less than the year before the first Sugar Act went into effect, but production was 14 percent more—nearly 2 million tons. The fixed quota of 1,800,000 tons is forcing a further acreage cut of 10 to 15 percent this year by established growers in most of the 22 beet-producing States. Practically no other farmers will be permitted to plant any sugar beets at all. Many of the latter are war veterans on newly opened reclamation projects of the west, where sugar beets are vitally needed in the crop rotation.

In the mainland cane area, the situation is fully as acute. Despite acreage cuts of 8 and 10 percent, respectively, imposed in the

last 2 years, sugar production in 1954 was 615,000 tons, or 115,000 tons more than the 500,000-ton fixed marketing quota for this area. This production was on fewer acres than produced 477,000 tons in 1948. Unless the law is changed, a further cut of 30 percent would be required to bring stocks in line with normal carryover. This, of course, is unthinkable and as a practical matter is impossible.

With production exceeding marketing quotas in spite of acreage cuts, the mainland cane and beet industries are saddled with large inventories, costly to carry. Final returns to farmers depend upon the cost of marketing sugar, and storage costs are marketing costs which directly reduce the net income of farmers, particularly in the beet area.

Acreage reductions are in effect on many of our export crops, which we produce in surplus, and it certainly seems contrary to the national interest to order drastic cuts in the acreage of a crop of which we import nearly half our annual needs.

4. Action now is imperative.

The action which the domestic sugar industry so urgently needs this year to relieve its critical situation can be obtained only by amending the Sugar Act now to increase 1955 marketing quotas for the domestic beet and mainland cane areas, and to restore to all domestic areas their historic and just right to share with foreign countries in the growth of the United States sugar market.

On the basis of the Department of Agriculture's estimate of our probable sugar needs for this year, the proposed bill will not reduce Cuba's present quota, and will permit Cuba and other foreign countries to continue to enjoy a fair share of future increases in the United States sugar market.

USE OF HUMANE METHODS IN SLAUGHTERING OF LIVESTOCK AND POULTRY

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes. I ask unanimous consent that an explanatory statement of the bill, prepared by me, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1636) to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. HUMPHREY is as follows:

STATEMENT BY SENATOR HUMPHREY

I have introduced today a bill to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce.

European nations all immobilize and make insensible to pain all animals and poultry before slaughter. Most American nations still kill animals and poultry without benefit of unconsciousness, often while in great fear and pain. Our slaughter industry should at once start to reach European standards, and eventually lead the nations of the world in humane, noncruel slaughtering.

The slaughter industry of Britain, the Scandinavian countries, and in fact all nations of Europe have for some time immobi-

lized and made insensible to pain all animals and poultry before bleeding and slaughter.

The methods used are the Captive Bolt Pistol, which drives a short bolt into the brain with the bolt stopped from going further by contact with a collar set in oil at the end of the pistol, or by the use of electricity, applied with electrodes to the upper part of the head, which suddenly stops the activity of all parts of the brain and nervous system and permanently immobilizes the whole body. Both methods put the animals to sleep until the knife is applied, and produces death before they awake.

Europe is far advanced over the United States in such humane methods of slaughter. The practices in our slaughter houses of shackling animals and hanging them up by one leg before the knife is used to kill them, and with hogs sometimes being run through the scalding tank before they are entirely dead, represent unfortunate cruelty to which the slaughter industry often seems callously insensible.

Now is an opportune time to bring the slaughter industry in our country up to the European standards of humanity. We not only have the European methods to consider, but I am proud to say another humane method has been developed by Hormel Packing Co., of Austin, Minn. The Hormel Co. in my State uses carbon dioxide gas, making the hogs unconscious within seconds of exposure. The Hormel Co. has used this carbon dioxide method successfully in its own plant since they perfected it, the hogs never awakening through easy shackling, sticking, and scalding by the operators.

Some other firms in our country have also pioneered in this field. The European captive-bolt method has been voluntarily adopted by the Oscar Mayer Co., at Madison, Wis., and other plants are now beginning with this method.

Experiments are now being conducted at Iowa State Experimental Station and by the United States Department of Agriculture in Iowa and California toward making the Hormel method applicable to poultry and other animals.

We propose or require no specific method in this bill and provide ample time for the slaughterhouses to work out satisfactory methods. The enforcement provisions would not take effect for 5 years.

However, the American Humane Association feels that this bill and an educational campaign running parallel with it is a much-needed beginning of efforts to bring our slaughter industry to leadership in humane slaughtering of livestock and poultry.

The bill provides for a four-man committee, including a representative of the Department of Agriculture, of the slaughterers, of the organized trade-union movement engaged in packinghouse work, and of the American Humane Association to work out any problems connected with developing more humane practices.

I am hopeful it can be given early consideration and will be accepted by slaughterhouse operators of the country. Veteran meat-inspection officials of the Department of Agriculture have indicated they are in full accord with its objectives.

FLOATING WEATHER STATION IN GULF OF MEXICO

Mr. LONG. Mr. President, on behalf of myself and my colleague the senior Senator from Louisiana [Mr. ELLENDER], I introduce, for appropriate reference, a bill to provide that one floating ocean station shall be maintained at all times in the Gulf of Mexico to provide storm warnings for States bordering on the Gulf of Mexico. I ask unanimous consent that a statement, prepared by me,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 27, 1955
For actions of April 26, 1955
84th-1st, No. 68

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HIGHLIGHTS: Senate passed USDA appropriation bill. Upon reconsideration, Senate again passed bill authorizing additional acreage allotments for freeze areas, etc. Senate committee voted to report trade agreements bill. Senate committee voted to report bill to increase travel allowances. House committee ordered reported bill for Federal cooperation in non-Federal reclamation projects. Rep. Hagen objected to request that House concur in Senate amendments on bill to increase rice allotments. Sen. Wiley introduced and discussed bill to remove milk trade barriers. Sen. McClellan introduced and discussed bill to establish joint budget committee.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1956. Passed with amendments this bill, H. R. 5329 (pp. 4324-43). Sens. Russell, Hayden, Hill, Robertson, Ellender, Young, McCarthy, and Mundt were appointed Senate conferees (p. 4343). Agreed to all committee amendments, except that the item on research was further amended, by an amendment offered by Sen. Stennis, to provide \$40,000 additional with the intention that it be used for home economics work (pp. 4326-33). Sen. Stennis recommended that the Department establish an advisory committee on home economics research (p. 4331). Rejected, 76-5, an amendment by Sen. Williams to decrease the advance ACP authorization from \$250,000,000 to \$175,000,000 for 1956 (pp. 4333-7, 4340-1). Sen. Mansfield recommended additional funds for ARS for the Milk River mosquito-control program in Mont. (pp. 4338-40). Sen. Humphrey criticized the increase in interest rate on emergency loans (p. 4335). Sens. Young and Williams debated wheat price supports (pp. 4336, 4340-1). Sens. Douglas, Russell, and others discussed the bill to repeal the REA State formula and the possibility of additional REA funds if this bill is not enacted (pp. 4342-3). Sen. Robertson inserted a letter from the Appalachian Apple Service requesting discontinuance of USDA apple-price predictions (p. 4343). Sen. Payne suggested that the Department enlist State support of the gypsy moth control program (pp. 4324-6).

2. ACREAGE ALLOTMENT. Upon reconsideration (requested by Sen. Williams), again

passed as reported S. 1628, to authorize additional acreage allotments for farmers whose crops are destroyed or damaged by freeze, hail, etc. (pp. 4343-7).

3. REORGANIZATION. Passed without amendment S. 1763, to extend the termination date of the Hoover Commission through June 30, 1955 (pp. 4337-8).
4. FORESTRY. The Interior and Insular Affairs Committee voted to report without amendment S. 52, to amend the act to protect scenic values in the Coconino National Forest, Ariz. (p. D334).
5. SUGAR. Sen. Magnuson submitted amendments which he intends to propose to S. 1635, to extend the Sugar Act of 1948 and increase the mainland quotas (p. 4312).
6. TRADE AGREEMENTS. The Finance Committee ordered favorably reported with amendments H. R. 1, to extend the authority of the President to enter into trade agreements. The "Daily Digest" states that the following major amendments were adopted: As a substitute for all amendments relating to commodities, an amendment authorizing the President to take such action as he deems necessary to adjust imports of any article, if such article is being imported in such quantities as to threaten the national security; and an amendment to strengthen the escape-clause provisions of the law. (p. D334.)
7. RECLAMATION; LANDS. The Interior and Insular Affairs Committee ordered favorably reported with amendments S. 300, authorizing the construction, operation, and maintenance of the Fryingpan-Arkansas project, Colo. (major amendment would reduce repayment provisions from 70 to 60 years due to downward revision in estimated construction costs); S. 265, to amend acts authorizing agricultural entries under nonmineral land laws of certain mineral lands so as to increase limitation on desert entries made under such acts to 320 acres; and without amendment S. 748, to prohibit the U. S. from acquiring mineral interests in lands acquired by it except when necessary to serve the purpose for which such lands are acquired (p. D334).
8. TRAVEL. The Post Office and Civil Service Committee ordered favorably reported without amendment S. 1580, to increase the maximum per diem and subsistence allowance of Federal employees from \$9 to \$13 per day, and the maximum auto allowance from 7 to 10 cents per mile (p. D335).
9. RECESSED until Thurs., Apr. 28 (p. 4349).

HOUSE

10. RICE ALLOTMENTS. Rep. Hagen objected to a motion to concur in Senate amendments to H. R. 4647, to increase rice acreage allotments, and stated that the bill as passed by the Senate makes special provision for one and possibly two States, at the disadvantage of the rest of the rice-growing States (pp. 4371-2).
11. FARM LOANS. The Veterans' Affairs Committee reported without amendment H. R. 5715, to extend the authority of the Veterans' Administration to continue through June 30, 1956, to make direct loans to veterans, and to authorize \$150,000,000 therefor (H. Rept. 447) (p. 4374). The Committee was authorized to file the report by midnight, Apr. 26 (p. 4370).

S. 1635

IN THE SENATE OF THE UNITED STATES

APRIL 26 (legislative day, APRIL 25), 1955

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. MAGNUSON (by request) to the bill (S. 1635) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, viz:

- 1 On page 1, line 3, after "That" insert "(a)".
- 2 On page 3, between lines 3 and 4, insert the following:
- 3 “(b) The Secretary of Agriculture is authorized and
- 4 directed to set aside, out of the increases provided by the
- 5 amendment made by this section in the quota for domestic
- 6 beet sugar, a reasonable amount to be used as a reserve for
- 7 establishing or adjusting proportionate shares for farms on
- 8 reclamation projects on which new acreage suitable for pro-
- 9 duction of sugar beets has been made available.”

AMENDMENTS

Intended to be proposed by Mr. MAGNUSON (by request) to the bill (S. 1635) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

APRIL 26 (legislative day, APRIL 25), 1955
Referred to the Committee on Finance and ordered to
be printed

84TH CONGRESS
1ST SESSION

H. R. 7030

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1955

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend and extend the Sugar Act of 1948, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 That section 101 (d) of the Sugar Act of 1948, as amended,

4 is amended to read as follows:

5 “(d) The term ‘raw sugar’ means (1) any sugars prin-

6 cipally of crystalline structure which are to be further refined

7 or improved in quality and which test not more than

8 sugar degrees by the polariscope; and (2) any sugars

9 (exclusive of liquid sugar from foreign countries having

10 liquid sugar quotas) principally not of crystalline structure

1 which are to be further refined or improved in quality and
2 which have a total sugar content of not more than
3 per centum of the total soluble solids content (excluding any
4 foreign substances that may have been added or developed
5 in the product).”

6 SEC. 2. Section 101 (e) of such Act is amended to read
7 as follows:

8 “(e) The term ‘direct-consumption sugar’ means (1)
9 any sugars principally of crystalline structure which test
10 more than sugar degrees by the polariscope and any
11 sugars (exclusive of liquid sugar from foreign countries hav-
12 ing liquid sugar quotas) principally not of crystalline struc-
13 ture which have a total sugar content of more than per
14 centum of the total soluble solids content (excluding any
15 foreign substances that may have been added or developed in
16 the product), or (2) any sugars which are principally of
17 crystalline structure and any liquid sugar (exclusive of liquid
18 sugar from foreign countries having liquid sugar quotas),
19 which are not to be further refined or improved in quality.”

20 SEC. 3. Section 101 (i) of such Act is amended by
21 deleting the parenthetical word “(Clerget)”.

22 SEC. 4. Section 101 of such Act is amended by adding
23 at the end thereof a new paragraph to read as follows:

24 “(n) The term ‘to be further refined or improved in
25 quality’ means to be subjected substantially to the processes

1 of (1) affination or defecation, (2) clarification, and (3)
2 further purification by adsorption or crystallization. The
3 Secretary is authorized to determine whether the processes
4 to which sugars are subjected are sufficient to meet the re-
5 quirements of this paragraph.”

6 SEC. 5. Section 202 (a) of such Act is amended by
7 inserting “(1) for the calendar year 1956” after the first
8 comma and by adding the following new paragraphs:

9 “(2) for the calendar year 1956 by apportioning
10 among such areas 55 per centum of the amount by which
11 the determination made pursuant to section 201 exceeds
12 eight million three hundred and fifty thousand short
13 tons, raw value, as follows: (A) the first one hundred
14 and sixty-five thousand short tons, raw value, or any
15 part thereof, by which quotas for the domestic areas are
16 so increased shall be apportioned 51.5 per centum to the
17 domestic beet sugar area and 48.5 per centum to the
18 mainland cane sugar area; (B) the next twenty thousand
19 short tons, raw value, or any part thereof, by which such
20 quotas are so increased shall be apportioned to Puerto
21 Rico; (C) the next three thousand short tons, raw value,
22 or any part thereof, by which such quotas are so in-
23 creased shall be apportioned to the Virgin Islands; and
24 (D) any additional amount shall be apportioned on the
25 basis of the quotas established in paragraph (1) as ad-

1 justed by subparagraphs (A), (B), and (C) of this
2 paragraph (2).

3 “(3) for the calendar year 1957 and each subse-
4 quent calendar year, by apportioning among such areas
5 four million four hundred and forty-four thousand short
6 tons, raw value, in accordance with paragraph (1) of
7 this section, and by adding thereto 55 per centum of the
8 amount by which the determination made pursuant to
9 section 201 exceeds eight million three hundred and fifty
10 thousand short tons, raw value, apportioned as follows:
11 First, by apportioning in accordance with the provisions
12 of paragraph (a) (2) of this section an amount not in
13 excess of the amount so apportioned in 1956, and second,
14 by apportioning the remainder, if any, in accordance
15 with the final quotas established for the calendar year
16 1956, pursuant to paragraphs (1) and (2) of this sec-
17 tion.”

18 SEC. 6. Section 202 (c) of such Act is amended by
19 striking out “The” after “(c)” and inserting in lieu thereof
20 “(1) For the calendar year 1956, the” and by adding at the
21 end thereof the following new paragraphs:

22 “(2) For the calendar year 1957 and for each subse-
23 quent calendar year for foreign countries other than the
24 Republic of the Philippines, by prorating to Cuba 96 per

1 centum and to foreign countries other than Cuba and the
2 Republic of the Philippines 4 per centum of the amount of
3 sugar, raw value, by which eight million three hundred and
4 fifty thousand tons or such lesser amount as determined pur-
5 suant to section 201 exceeds the sum of the quotas established
6 pursuant to subsections (a) and (b) of this section; and by
7 prorating to Cuba 60 per centum and to foreign countries
8 other than Cuba and the Republic of the Philippines 40 per
9 centum of the amount of sugar, raw value, by which the
10 amount determined pursuant to section 201 exceeds eight
11 million three hundred and fifty thousand tons less the increase
12 in quotas provided for in subsection (a) (3) of this section.

13 “For the calendar year 1957 and for each subsequent
14 calendar year, the quota for foreign countries other than
15 Cuba and the Republic of the Philippines shall be appor-
16 tioned, first, by assigning to each foreign country other than
17 Cuba and the Republic of the Philippines whose average
18 entries during the years 1953 and 1954 were less than 1,000
19 tons, a quota equal to its average entries during 1953 and
20 1954, and second, by prorating to each foreign country other
21 than Cuba and the Republic of the Philippines whose average
22 entries in 1953 and 1954 exceeded 1,000 tons the remainder
23 of the quota on the basis of the average amount imported

1 from each such country within the quotas established for the
2 years 1951, 1952, 1953, and 1954, or 3,000 tons, whichever
3 is the larger.

4 SEC. 7. (a) The second sentence of section 204 (a)
5 of such Act is amended by inserting before the period at
6 the end thereof a colon and the following: "*Provided*, That
7 any deficit in any domestic sugar-producing area occurring
8 by reason of inability to market that part of the quota for
9 such area allotted under the provisions of section 202 (a)
10 (2) or the increases allotted under section 202 (a) (3) shall
11 first be prorated to other domestic areas on the basis of the
12 quotas then in effect."

13 (b) The last paragraph of such section is amended by
14 inserting before the period at the end thereof a semicolon
15 and the following: "except that in the case of proration of
16 any such deficit in any domestic sugar-producing area occur-
17 ring by reason of inability to market that part of the quota
18 for such area allotted under and by reason of section 202 (a)
19 (2) or the increases allotted under section 202 (a) (3), the
20 Secretary shall apportion the unfilled amount on such basis
21 and to such other domestic areas as he determines is required
22 to fill such deficit, and if he finds that no domestic area will
23 be able to supply such unfilled amount, he shall add it to the
24 quota for Cuba."

25 SEC. 8. (a) Section 207 (a) of such Act is amended

1 by adding after the word “year” the following: “, plus an
2 amount equal to the same percentage of twenty-nine thou-
3 sand six hundred and sixteen short tons, raw value, that the
4 increase in the quota for Hawaii under section 202 is of one
5 million fifty-two thousand short tons, raw value”.

6 (b) Section 207 (b) of such Act is amended by adding
7 after the word “year” the following: “, plus an amount equal
8 to the same percentage of one hundred twenty-six thousand
9 and thirty-three short tons, raw value, that the increase in
10 the quota for Puerto Rico under section 202 is of one million
11 eighty thousand short tons, raw value”.

12 SEC. 9. Section 207 (h) of such Act is amended by
13 striking out “The” after “(h)” and inserting in lieu thereof
14 “(1) For the calendar year 1956, the” and by adding the
15 following new paragraph:

16 “(2) For the calendar year 1957 and each subsequent
17 calendar year, the quota for foreign countries other than
18 Cuba and the Republic of the Philippines may be filled by
19 direct-consumption sugar only to the extent of 1.36 per
20 centum of the amount of sugar determined pursuant to sec-
21 tion 201 less the sum of the quotas established in subsections
22 (a) and (b) of section 202. The direct-consumption por-
23 tion of such quota shall be prorated to countries which re-
24 ceive prorations under section 202 (c) to the extent of
25 the prorations established therein on the basis of average

1 imports of direct-consumption sugar within the quota for
2 the years 1951, 1952, 1953, and 1954: *Provided*, That such
3 prorations shall be adjusted so that no country shall re-
4 ceive an amount less than 3.0 per centum of the quota for
5 foreign countries other than Cuba or the Republic of the
6 Philippines or the proration received pursuant to section
7 202 (c), whichever is smaller.”

8 SEC. 10. Section 407 of such Act is amended by adding
9 at the end thereof the following sentence: “The provisions
10 of this section shall not apply to persons whose services are
11 obtained pursuant to section 305.”

12 SEC. 11. Section 411 of such Act is renumbered as sec-
13 tion 412, section 412 of such Act is renumbered as section
14 413 and a new section 411 inserted as follows:

15 “SEC. 411. The Secretary is authorized to issue such
16 regulations as may be necessary to carry out article 7 of the
17 International Sugar Agreement for the Regulation of the
18 Production and Marketing of Sugar (ratified by and with
19 the advice and consent of the United States Senate on April
20 29, 1954), restricting importations of sugar into the United
21 States from foreign countries not participating in such agree-
22 ment, or to carry out the corresponding provisions of any
23 such future agreements ratified by and with the advice and
24 consent of the United States Senate.”

25 SEC. 12. Renumbered section 412 of such Act (relating

1 to termination of the powers of the Secretary under the Act)
2 is amended by striking out "1956" in each place it appears
3 therein and inserting in lieu thereof "1962".

4 SEC. 13. Sections 4501 (c) and 6412 (d) (relating to
5 the termination of taxes on sugar) of the Internal Revenue
6 Code of 1954 are amended by striking out "1957" in each
7 place it appears therein and inserting in lieu thereof "1963".

8 SEC. 14. Section 4502 (4), chapter 4, subchapter A,
9 "Sugar", of the Internal Revenue Code of 1954 is amended
10 as follows: Strike out the parenthetical word "(Clerget)"
11 where it occurs in the first sentence and delete the second
12 sentence thereof.

13 SEC. 15. (a) Section 4504, chapter 37, subchapter A,
14 "Sugar", of the Internal Revenue Code of 1954 is amended
15 by adding before the period at the end thereof the following:
16 "and except that such tax may be subject to refunds as a tax
17 under the provisions of section 6418 (a)".

18 (b) Section 6418 (a) of chapter 65 of the Internal
19 Revenue Code of 1954 is amended by striking out the "(a)"
20 immediately following "section 4501".

21 SEC. 16. The amendments made hereby shall become
22 effective January 1, 1956, except that sections 1 through 9
23 and section 11 hereof shall be effective for purposes of the
24 determinations and regulations required for the calendar year
25 1956.

A BILL

To amend and extend the Sugar Act of 1948, as amended, and for other purposes.

By Mr. COOLEY

JUNE 27, 1955

Referred to the Committee on Agriculture

A BILL

For an Act to amend the Statute in relation to the
operation of the railway.

By Mr. Speaker.

Enacted by the Legislature of the Province of Ontario,
in the 24th year of the said Majesty, King Edward the Seventh.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 22, 1955

For actions of July 21, 1955

84th-1st, No. 123

OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: House committee ordered reported sugar bill. Senate passed bill to exchange USDA and State employees. Senate received proposed legislation and bill was introduced in the House providing for increase in CCC borrowing authority. Senate committees reported bills to authorize loans to small reclamation projects, permit sales of certain CCC stocks without restriction, transfer title 3 lands to Clemson College, amend rice quota law, extend Mexican farm labor program, authorize CCC to process foods for donation, and amend tobacco allotments-quotas law.

HOUSE

1. RESERVE FORCES. Received the conference report on H. R. 7000, the reserve forces bill (H. Rept. 1335)(pp. 9601-5).
2. CONTRACTS. Agreed to the conference report on H. R. 4904, to extend the Renegotiation Act for two years (pp. 9605-6). This bill is now ready for the President.
3. MINERALS. Passed with amendments H. R. 6373, extending the Domestic Minerals Program Act to encourage the discovery, development, and production of certain domestic minerals (pp. 9610, 9619-29). The amendments agreed to related to the production of manganese and the establishment of a purchasing depot.
4. GOVERNMENT SECURITY. Conferees were appointed on H. J. Res. 157, to establish a Commission on Government Security (p. 9630). Senate conferees have been appointed.
5. FARM TRAINING. The Rules Committee reported a resolution for consideration of H. R. 4006, to amend the Veterans' Readjustment Assistance Act of 1952 to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training (p. 9649).

6. SUGAR. The Agriculture Committee ordered reported by a vote of 24 to 7, with amendments, H. R. 7030, to amend and extend the Sugar Act of 1948 (p. D755).
7. PRINTING. The House Administration Committee reported without amendment H. Res. 272, providing \$65,000 for a study and investigation of Federal printing and binding (H. Rept. 1312)(p. 9649).
8. RECLAMATION; ELECTRIFICATION. The Rules Committee reported a resolution for consideration of H. R. 3383, authorizing the Colorado River storage project (p. 9649).
9. FABRICS; RESEARCH. The Rules Committee reported a resolution providing for consideration of H. R. 5222, amending the Flammable Fabrics Act to exempt scarves which do not present an unusual hazard from its provisions (p. 9649).
10. ROADS. The Public Works Committee reported without amendment H. R. 7474, providing for a Federal-aid highway construction program (H. Rept. 1336)(p. 9649).
11. DEFENSE PRODUCTION. The Banking and Currency Committee reported without amendment H. R. 7470, to amend and extend the Defense Production Act of 1950 (H. Rept. 1343)(p. 9649).
12. FOREIGN TRADE; SURPLUS COMMODITIES. Rep. Allen, Calif., urged consideration of the use of the idle ships in the American merchant marine as storage for surplus grains and to continue the Cargo Preference provisions (pp. 9645-6).
13. LEGISLATIVE PROGRAM. The Majority Leader scheduled consideration on Mon., July 25, of the conference report on H. R. 7000, the reserve forces bill, and consideration of the following bills on Tues., July 26, through Sat., July 30 was scheduled providing rules are received; H. R. 3383, the Upper Colorado Storage project; S. 2127, the Small Business Administration bill; H. R. 7470, extension of the Defense Production Act; S. 2126, the housing bill; and H. R. 7474, the Federal-aid highway construction bill (pp. 9629-30).
14. ADJOURNED until Mon., July 25 (p. 9648).

SENATE

15. CCC STOCKS; LANDS; RICE; FARM LABOR; TOBACCO. The Agriculture and Forestry Committee reported during adjournment on July 20, with amendment S. 1621, authorizing adjustment of certain obligations of farm settlers (S. Rept. 1042); S. 2297, national marketing quota for tobacco (S. Rept. 1043); S. 2170, to permit sale of CCC stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form (S. Rept. 1047); and H. R. 4280, to transfer certain title 3 lands to Clemson College (S. Rept. 1048); and with amendment H. R. 3822, to extend the Mexican farm labor program (S. Rept. 1045); S. 661, to authorize CCC to process food commodities for donation under certain acts (S. Rept. 1049); and S. 2295 and S. 2296, to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments (S. Repts. 1044 and 1046)(p. 9567).
16. EXCHANGE OF EMPLOYEES. Passed without amendment S. 1915, to provide for interchange of employees by this Department and State and local governments (pp. 9591-2). The bill had been reported without amendment during adjournment on July 20 (S. Rept. 1041)(p. 9567). Sen. Clements stated that "Senate bill

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OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: Senate passed bill to amend rice quota law. Senate made supplemental appropriation bill its unfinished business. House committee reported bills to amend the Sugar Act, tobacco allotments-quotas law, and rice quota law.

SENATE

1. RICE. Passed without amendment S. 2573, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, to provide that in States where farm rice acreage allotments are established on a producer basis only the past plantings of rice by the producer within the State and acreage allotments previously established in the State for the producers would be used in determining such allotments (p. 9785).
2. RIVER COMPACT. Passed as reported S. 730, to authorize a water compact between Kans. and Okla. for the waters of the Ark. River and its tributaries as they affect such States (p. 9777).
3. RECLAMATION. Passed over, upon requests of Sens. Ervin and Ellender, S. 2442, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects (p. 9779).
Passed as reported S. 926, to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, Calif., and S. 1194, to provide for construction by the Secretary of the Interior of Red Willow Dam and Reservoir, Nebr., as a unit of the Mo. River Basin project (pp. 9797-9801).

4. WATER RESOURCES. Agreed to the conference report on H. R. 3990, to authorize the Interior Department to investigate and report to Congress on the water resources in Alaska (pp. 9784-5).
5. APPROPRIATIONS. Made its unfinished business H. R. 7278, the supplemental appropriation bill for 1956 (p. 9803).
6. ELECTRIFICATION; WHEAT. Sen. Neuberger inserted Oregon Grange resolutions urging the return of certain hi-lines to the Bonneville Power Administration and favoring a two-price plan for wheat (p. 9763).
7. ST. LAWRENCE SEAWAY. Sen. Wiley announced that S. Doc 165, the manual on the Great Lakes-St. Lawrence seaway, has been released. He stated that the document contains a complete history of the seaway, a description of all of its economic, engineering, power, maintenance, legal, and other ramifications (pp. 9769-72).
8. REGULATORY AGENCIES. Sen. Sparkman expressed concern over "the growing practice of the executive branch of the Government to usurp the power of the legislative branch of the Government through perversion of the regulatory agencies" (pp. 9787-8).
9. TRANSPORTATION. Sen. Butler inserted a Maryland Farm News article, "Baltimore: the Port That Helped Agriculture," outlining reasons for Baltimore's importance in the development of agricultural trade, with special reference to the ability of the grain "mixers" (p. 9790).
10. GOVERNMENT SECURITY. Sen. Wiley announced that S. Doc. 40, the revised edition of the Internal Security Manual, has been released, and inserted Scott McLeod's letter commending this publication, with particular reference to Parts III and IV which relate especially to employee security programs (p. 9659, July 22).

HOUSE

11. COMMODITY CREDIT CORPORATION. Received a draft of proposed legislation from the USDA, to increase the borrowing power of the CCC from \$10 to \$12 billion: referred to Banking and Currency Committee (p. 9862). Bills have been introduced in both Houses to execute the provisions of this proposal.
Conferees were appointed on H. R. 2851, to make agricultural commodities owned by the CCC available to persons in need in areas of acute distress (p. 9850). Senate conferees have not yet been appointed.
12. SUGAR. The Agriculture Committee reported with amendment H. R. 7030, to amend and extend the Sugar Act of 1948 (H. Rept. 1348) (p. 9863).
13. TOBACCO. The Agriculture Committee reported with amendment H. R. 6846, to provide for tobacco allotments on farms with no previously established quota (H. Rept. 1358); and reported without amendment H. R. 6847, to provide for the establishment of burley tobacco allotments (H. Rept. 1359), and H. R. 6845, to establish national marketing quotas for tobacco (H. Rept. 1360) (p. 9863).
14. RICE. The Agriculture Committee reported without amendment H. R. 7302, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938 (H. Rept. 1361) (p. 9863).

REVISION AND EXTENSION OF SUGAR ACT OF 1948

JULY 22, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H. R. 7030]

The Committee on Agriculture, to whom was referred the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, having considered the same, report favorably thereon with amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert:

That section 101 (d) of the Sugar Act of 1948, as amended, is amended to read as follows:

“(d) The term ‘raw sugar’ means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar.”

SEC. 2. Section 101 (e) of such Act is amended to read as follows:

“(e) The term ‘direct-consumption sugar’ means any sugars principally of crystalline structure and any liquid sugar (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality.”

SEC. 3. Section 101 (i) of such Act is amended by deleting the parenthetical word “(Clerget)”.

SEC. 4. Section 101 of such Act is amended by adding at the end thereof a new paragraph to read as follows:

“(n) The term ‘to be further refined or improved in quality’ means to be subjected substantially to the processes of (1) affination or defecation, (2) clarification, and (3) further purification by adsorption or crystallization. The Secretary is authorized, in accordance with findings based on public hearings to determine whether specific processes to which sugars are subjected are sufficient to meet the requirements of this paragraph (n) and whether sugars of specific qualities are raw sugar within the meaning of paragraph (d) of this section, or direct-consumption sugar within the meaning of paragraph (e) of this section.”

SEC. 5. Section 201 of such Act is amended by striking in the second sentence thereof the words “1947 prior to the termination of price control of sugar” and inserting in lieu thereof “1947-1949”.

SEC. 6. Section 202 (a) of such Act is amended by inserting a colon and "(1) For the calendar year 1956" in lieu of the first comma and by adding the following new paragraphs:

"(2) For the calendar year 1956, by apportioning among such areas 50 per centum of the amount by which the determination made pursuant to section 201 exceeds eight million three hundred and fifty thousand short tons, raw value, as follows:

"(A) The first one hundred and eighty-eight thousand short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 45.2 per centum to the domestic beet area; 42.6 per centum to the mainland cane area; 10.6 per centum to Puerto Rico; and 1.6 per centum to the Virgin Islands; and

"(B) Any additional amount shall be apportioned on the basis established in paragraph (a) (1) as adjusted by subparagraph (A) of this paragraph (a) (2)

"(3) For the calendar year 1957 and each subsequent calendar year, by apportioning among such areas four million four hundred and forty-four thousand short tons, raw value, in accordance with paragraph (a) (1) of this section, and by adding thereto 50 per centum of the amount by which the determination made pursuant to section 201 exceeds eight million three hundred and fifty thousand short tons, raw value, apportioned as follows: First, by apportioning in accordance with the provisions of paragraph (a) (2) of this section an amount not in excess of the amount so apportioned in 1956, and second, by apportioning the remainder, if any, in accordance with the final quotas established for the calendar year 1956, pursuant to paragraphs (a) (1) and (a) (2) of this section."

SEC. 7. Section 202 (c) of such Act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:

"(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating to Cuba 96 per centum and to such other foreign countries 4 per centum of the amount of sugar, raw value, by which eight million three hundred and fifty thousand short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of four million four hundred and forty-four thousand short tons, raw value, and the quota established pursuant to subsection (b) of this section; and by prorating to Cuba 50 per centum and to foreign countries other than Cuba and the Republic of the Philippines 50 per centum of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of eight million three hundred and fifty thousand short tons plus the increase in quotas provided for in subsection (a) (3) of this section: *Provided*, (i) that for 1957 the quota for foreign countries other than Cuba and the Republic of the Philippines shall be one hundred and seventy-five thousand short tons, raw value, and the quota for Cuba shall equal the sum of the quotas for foreign countries other than the Republic of the Philippines less one hundred and seventy-five thousand short tons, raw value; and (ii) that for the calendar year 1958 and each subsequent calendar year through 1960 the quota for foreign countries other than Cuba and the Republic of the Philippines shall be increased forty-five thousand short tons, raw value, annually and the quota for Cuba shall equal the sum of the quotas for foreign countries other than the Republic of the Philippines for such year less the quota for foreign countries other than Cuba and the Republic of the Philippines for such year."

The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated for the calendar year 1957 and for each subsequent calendar year as follows:

(A) Each country whose average annual importations into the United States within the quota were less than one thousand short tons, raw value, during the years 1953 and 1954 shall receive a proration equal to such average importations.

(B) Each country whose average annual importations into the United States within the quota were more than one thousand short tons but less than three thousand short tons, raw value, during the years 1953 and 1954 shall receive each year two thousand tons in addition to the basic tonnages prorated under subparagraphs (C) or (D) hereof.

(C) Each country whose average annual importations into the United States within the quota were one thousand short tons but less than two thousand short tons, raw value, during the years 1953 and 1954 shall receive a proration for 1957 equal to its average importations for the calendar years 1953 and 1954 plus 30 per centum thereof and for each calendar year subsequent to 1957 through 1960 the proration for each such country shall be increased by an additional 30 per centum of its proration under this subparagraph (C) for the immediately preceding calendar year.

(D) That part of the quota not otherwise prorated in subparagraphs (A), (B); and (C) above shall be prorated as follows:

Country	Per centum
Dominican Republic.....	37
Peru.....	36
Mexico.....	20
Nicaragua.....	5
Haiti.....	2

SEC. 8. Section 202 of such Act is amended by adding the following new paragraphs:

"(c) Whenever in any year any foreign country with a quota or proration thereof of more than ten thousand short tons fails to fill such quota or proration by more than 10 per centum and at any time during such year the world price of sugar exceeds the domestic price, the quota or proration thereof for such country for subsequent years shall be reduced by an amount equal to the amount by which such country failed to fill its quota or proration thereof, unless the Secretary finds that such failure was due to crop disaster or force majeure or finds that such reduction would be contrary to the objectives of this Act. Any reduction hereunder shall be prorated in the same manner as deficits are prorated under section 204.

"(f) No country shall have its quota or proration thereof increased above its quota or proration thereof for the calendar year 1956 unless, on or before January 1, 1957, such country becomes a party to and bound by the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the United States Senate on April 29, 1954).

"(g) Notwithstanding any other provision of law except paragraph (d) hereof, if the Secretary determines that any country for which a sugar quota or proration thereof is established herein causes a substantial reduction in the importation of any agricultural commodity from the United States below the quantity imported during a representative period of years, in raw or manufactured form, through import quotas, import taxes, exchange restrictions, or other trade restrictive measures, the sugar quota or proration thereof for such country shall be suspended during each year when such restrictive measures are at any time in effect and the portion of such quota or proration thereof so suspended shall be prorated in the same manner as deficits are prorated under section 204."

SEC. 9. (a) The second sentence of section 204 (a) of such Act is amended by inserting before the period at the end thereof a colon and the following: "Provided, That any deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under the provisions of section 202 (a) (2) or the increases allotted under section 202 (a) (3) shall first be prorated to other domestic areas on the basis of the quotas then in effect."

(b) The last paragraph of section 204 (a) of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "except that in the case of proration of any such deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under and by reason of section 202 (a) (2) or the increases allotted under section 202 (a) (3), the Secretary shall apportion the unfilled amount on such basis and to such other domestic areas as he determines is required to fill such deficit, and if he finds that no domestic area will be able to supply such unfilled amount, he shall add it to the quota for Cuba".

SEC. 10. Section 205 (a) of such Act is amended by inserting immediately before the final sentence thereof the following: "In making such allotments, the Secretary may also take into consideration and make due allowance for the adverse effect of drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions seriously and broadly affecting any general area served by the factory or factories of such person."

SEC. 11. (a) Section 207 (a) of such Act is amended by adding after the word "year" the following: ", plus an amount equal to the same percentage of twenty-nine thousand six hundred and sixteen short tons, raw value, that the increase in the quota for Hawaii under section 202 is of one million fifty-two thousand short tons, raw value".

(b) Section 207 (b) of such Act is amended by striking the period at the end thereof and by adding the following: "which shall be principally of crystalline structure, plus an amount equal to the same percentage of one hundred twenty-six thousand and thirty-three short tons, raw value, that the increase in the quota for Puerto Rico under section 202 is of one million eighty thousand short tons, raw

value, which latter amount may be filled by direct-consumption sugar whether or not principally of crystalline structure."

SEC. 12. Section 207 (h) of such Act is amended by striking out "The" after "(h)" and inserting in lieu thereof "(1) For the calendar year 1956, the" and by adding the following new paragraph:

"(2) For the calendar year 1957 and each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: *Provided*, That such limitation shall not apply to countries receiving prorations under section 202 (c) of seven thousand short tons or less. The direct-consumption portion of such quota which is subject to the 1.36 per centum limitation referred to above shall be prorated to countries which receive prorations under section 202 (c) of more than seven thousand short tons on the basis of average imports of direct-consumption sugar within the quota for the years 1951, 1952, 1953, and 1954."

SEC. 13. Section 301 (b) of such Act is amended by inserting after the words "(or processed)" the following: ", except for livestock feed, or for the production of livestock feed, as determined by the Secretary,".

SEC. 14. Section 302 (b) of such Act is amended by inserting after "or processed)" the words "within the proportional share" and by striking the period at the end thereof and inserting the following: "and of the producers in any local producing area whose past production has been adversely, seriously and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions. For the purposes of establishing proportionate shares hereunder and in order to encourage wise use of land resources, foster greater diversification of agricultural production, and promote the conservation of soil and water resources in Puerto Rico, the Secretary, on application of any owner of a farm in Puerto Rico, is hereby authorized, whenever he determines it to be in the public interest and to facilitate the sale or rental of land for other productive purposes, to transfer the sugarcane production record for any parcel or parcels of land in Puerto Rico owned by the applicant to any other parcel or parcels of land owned by such applicant in Puerto Rico."

SEC. 15. Section 405 of such Act is amended by inserting "(a)" at the beginning thereof and by adding the following new paragraph;

"(b) Any person whose sugar processing operations otherwise meet the requirements of section 101 (n) and who subjects to such processes sugar imported or brought into the continental United States under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality and to be in excess of the direct-consumption portion of the applicable quota or proration or allotment thereof, shall forfeit to the United States a sum equal to one cent per pound for each pound, raw value, of such sugar in excess of the direct-consumption portion of the applicable quota or proration or allotment thereof, which forfeiture shall be recoverable in a civil suit brought in the name of the United States."

SEC. 16. Section 407 of such Act is amended by adding at the end thereof the following sentence: "The provisions of this section shall not apply to persons whose services are obtained pursuant to section 305."

SEC. 17. Section 411 of such Act is renumbered as section 412, section 412 of such Act is renumbered as section 413 and a new section 411 inserted as follows:

"SEC. 411. The Secretary is authorized to issue such regulations as may be necessary to carry out article 7 of the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the United States Senate on April 29, 1954), restricting importations of sugar into the United States from foreign countries not participating in such agreement, or to carry out the corresponding provisions of any such future agreements ratified by and with the advice and consent of the United States Senate."

SEC. 18. Renumbered section 412 of such Act (relating to termination of the powers of the Secretary under the Act) is amended by striking out "1956" in each place it appears therein and inserting in lieu thereof "1960".

SEC. 19. A new section 414 is added to such Act as follows:

"SEC. 414. (a) To alleviate the conditions which exist in the continental United States sugar-producing areas by reason of the quantities of surplus over-quota sugar produced in such areas, the Commodity Credit Corporation shall carry out loans, purchases or other operations with respect to one hundred thousand short tons of sugar produced from the 1955 or previous crops in such areas.

"(b) Sugar acquired hereunder shall be disposed of outside the continental United States in such manner as the Corporation determines will not unduly interfere with normal marketings of sugar, including dispositions under the Agricultural Trade Development and Assistance Act of 1954, as amended.

"(c) No borrower shall be personally liable for any deficiency arising from the sale of the sugar securing any loan made under authority of this section, unless such loan was obtained through fraudulent representations by the borrower. This provision shall not, however, be construed to prevent Commodity Credit Corporation from requiring the borrower to assume liability for deficiencies in the quality or quantity of sugar delivered under the loan, for failure to properly care for and preserve such sugar, or for failure or refusal to deliver the sugar in accordance with the requirements of the program.

"(d) Sugar acquired hereunder shall not be subject to the provisions of title II of this Act."

SEC. 20. Section 201 of the Agricultural Act of 1949, as amended (63 Stat. 1052; 68 Stat. 899, 912), is further amended as follows:

1. After the comma following the word "butterfat" in the clause preceding the colon, insert the following: "sugar beets and sugarcane,".

2. After subsection (c) thereof insert a new subsection (d) as follows:

"(d) The price of sugar beets and sugarcane, respectively, shall be supported at a level of 90 per centum of the parity price therefor through loans, purchases or other operations with respect to sugar derived from the processing of proportionate shares of sugar beets or sugarcane of the 1956 and subsequent crops produced in the domestic sugar producing areas of the United States. Loans, purchases, or other operations with respect to such sugar shall be at such rates or prices as the Secretary determines, after taking into account receipts of producers from byproducts and conditional payments, will reflect the equivalent of 90 per centum of the parity price either for sugar beets or sugarcane. Sugar acquired hereunder shall not be subject to the provisions of title II of the Sugar Act of 1948, as amended."

SEC. 21. Sections 4501 (c) and 6412 (d) (relating to the termination of taxes on sugar) of the Internal Revenue Code of 1954 are amended by striking out "1957" in each place it appears therein and inserting in lieu thereof "1961".

SEC. 22. Section 4502 (4), chapter 4, subchapter A, "Sugar", of the Internal Revenue Code of 1954 is amended as follows: Strike out the parenthetical word "(Clerget)" where it occurs in the first sentence and delete the second sentence thereof.

SEC. 23. (a) Section 4504, chapter 37, subchapter A, "Sugar", of the Internal Revenue Code of 1954 is amended by adding before the period at the end thereof the following: "and except that such tax may be subject to refunds as a tax under the provisions of section 6418 (a)".

(b) Section 6418 (a) of chapter 65 of the Internal Revenue Code of 1954 is amended by striking out the "(a)" immediately following "section 4501".

SEC. 24. The amendments made hereby shall become effective January 1, 1956, except as otherwise designated and except that required determinations and regulations may be issued in 1955 for the calendar year 1956.

MAJOR PROVISIONS

H. R. 7030 reenacts and extends for 4 years, to December 31, 1960, the Sugar Act of 1948, as amended, with further amendments dealing primarily with adjustments of quotas intended to give domestic producers a fair share in the growth of the United States sugar market and to bring about an equitable participation by foreign suppliers in this market. The present act, in the absence of any action by the Congress, would expire December 31, 1956.

The bill also extends for 4 years, to June 30, 1961, the applicability of the excise tax on sugar in the Internal Revenue Code. This tax finances the sugar-stabilization program.

This legislation's major effect is to open the way for United States domestic area producers to participate with foreign areas in supplying the growth of the United States sugar market.

The United States this year will require approximately 8,350,000 short tons of sugar. The United States needs now are supplied 53.7 percent from domestic areas (consisting of 22 mainland States producing beets, and 2 mainland States, Hawaii, Puerto Rico, and the Virgin Islands, producing sugarcane); 33.1 percent from Cuba; 11.8 percent from the Philippines; and 1.4 percent from other foreign countries (including the Dominican Republic, Mexico, El Salvador, Haiti, Nicaragua, Peru, and all others).

This distribution is brought about by the provisions of the Sugar Act that assign fixed quotas amounting to 4,440,000 short tons, raw value, for the domestic producing area, and 952,000 short tons to the Philippines; and give to Cuba 96 percent, and to all other foreign countries 4 percent, of the remaining portion of the United States market.

Thus, Cuba for a number of years has enjoyed an increasing market for her sugar here equal to virtually the complete growth of sugar consumption in the United States, since the present law holds the domestic producing areas and the Philippines to definite, inflexibly fixed quotas.

H. R. 7030 maintains unchanged the participation of the domestic areas and the foreign suppliers in the present level of consumption of the United States market. All suppliers will continue to receive their established shares in the market at its current level.

But this legislation would open the way for United States producers to participate in the larger market constantly being created by the growth of our consumption of sugar, and to a lesser extent other foreign suppliers would enjoy a part of this expanding market along with Cuba, in the following manner:

For the Calendar year 1956, the amount of the increase in our market above 8,350,000 short tons, raw value, would be apportioned 50 percent to domestic producing areas and 50 percent to the foreign suppliers (except the Philippines which has a fixed quota), with Cuba getting 96 percent and all other countries receiving 4 percent of the 50 percent going to the foreign suppliers. The first 188,000 tons, or any part thereof, by which quotas for the domestic areas are so increased in 1956, would be apportioned 45.2 percent to the domestic beet area; 42.6 percent to the mainland cane area; 10.6 percent to Puerto Rico; and 1.6 percent to the Virgin Islands. If rising consumption should increase the quotas of domestic areas by more than 188,000 tons in 1956 the excess would be allotted on the basis of the present law's assignment of quotas.

For 1957, 1958, 1959, and 1960, this bill—

1. Assigns between the domestic producing areas and the foreign suppliers additional quotas year by year each equal to 50 percent of the growth of the United States market above the current 8,350,000 tons of consumption a year.

2. Provides that for 1957, 1958, 1959, and 1960 the additional quotas for domestic areas producers (representing 50 percent of the growth in the United States market) will be distributed in accordance with the final quotas established for the calendar year 1956.

3. That in 1957 the total of established and growth quotas for foreign suppliers (other than the Philippines) would be distributed (1) the first 175,000 tons to the foreign suppliers other than Cuba

and the Philippines, and (2) Cuba to receive a quota computed by subtracting 175,000 tons from the sum of the quotas for foreign countries other than the Philippines.

4. That for 1958, 1959, and 1960 the additional quotas representing 50 percent of the growth assigned to foreign suppliers (other than the Philippines) would be distributed (1) the first 45,000 tons to the foreign suppliers other than Cuba and the Philippines, and (2) Cuba to receive an additional quota computed by subtracting 45,000 tons from the 50 percent of the growth in the United States market which would be assigned to foreign countries.

5. That proration of their quota among the foreign countries (other than Cuba and the Philippines) be changed beginning in 1957 by assigning to those countries which exported to the United States less than 1,000 tons during the years 1953 and 1954 a fixed quantity equal to their average proration in those years and by assigning to the countries that brought in between 1,000 and 3,000 tons in those years a fixed quantity of 2,000 tons in addition to their further proration, as follows: Countries whose average imports here were between 1,000 and 2,000 short tons in 1953 and 1954 receive prorations for 1957 equal to such average entries plus 30 percent thereof and for each subsequent year prorations for such countries are increased by an additional 30 percent above the prorations for the immediately preceding year; the balance of the quota for countries other than Cuba and the Philippines is prorated 37 percent to the Dominican Republic, 36 percent to Peru, 20 percent to Mexico, 5 percent to Nicaragua, and 2 percent to Haiti.

An annual growth in United States sugar consumption of approximately 135,000 tons is expected on the basis of past experience. The accompanying table (table A) shows how this bill would distribute the full tonnage estimated on such an assumed growth.

To alleviate a surplus condition in the continental United States sugar-producing areas, this bill provides that the Government purchase or otherwise remove from the market 100,000 tons from the 1955 or previous crops in such areas, for disposition outside the continental United States in such manner as not to interfere unduly with normal marketing of sugar. It is assumed this sugar will be distributed in the relief operations of the International Cooperation Administration.

To deal with any future surpluses, provision is made that the price of sugar beets and sugarcane shall be supported at 90 percent of parity through loans, purchases, or other operations with respect to sugar from the processing of proportionate shares of sugar beets and sugarcane, produced in the domestic areas of the United States.

Although the committee has not included in the bill any specific directive for distribution of additional domestic quotas to new producers, it is the belief of the committee that the act should be administered so as to benefit new producers and new producing regions as increased domestic acreage becomes available as the result of quota increases.

Foreign countries which fail by a substantial margin to supply sugar to this market in years when the world price is higher than our domestic price are subject to quota curtailment in future years, unless the Secretary of Agriculture finds that such curtailment is unwarranted.

Foreign countries which discriminate against the importation of agricultural commodities from this country are subject to quota suspension during each year when such restrictive measures are in effect. Foreign countries which did not become participants to the International Sugar Agreement on or before January 1, 1957, are not eligible for increases in quotas or prorations above the 1956 level.

Provisions of the Sugar Act which limit the entry of direct-consumption sugar within quotas of both foreign and offshore domestic areas would be varied slightly to permit an increase in such allocations for the offshore domestic areas and to permit those foreign countries which have relatively small quotas the convenience of shipping either raw or refined sugar to this market.

The method of prorating deficits would be changed slightly to insure that increases which domestic areas receive through market participation but which they are not able to fill shall first be prorated to other domestic areas rather than to Cuba and the other domestic areas as is the case under the present act. In the event a domestic area is unable to fill a proration of a deficit assigned to it which results from increased quota due to market participation, the unfilled portion also will be apportioned to other domestic areas unless no such area is able to supply the required quantity in which case it will be added to the quota of Cuba.

There are other provisions in the bill in the interest of equity and efficient administration in this reenactment and extension of the Sugar Act. These are discussed in some detail in the analysis of the bill which appears later in this report.

The following table was prepared by officials of the Sugar Division, Department of Agriculture, at the request of the committee. On the basis of an assumed constant increase in United States consumption of 135,000 tons a year, it shows the quotas which would result from application of provisions of the bill.

TABLE A.—*Sugar quotas and prorations: Present law for 1955 (H. R. 7030), as reported by the Committee on Agriculture*

[Short tons, raw value]

	Present law, 1955	H. R. 7030				
		1956	1957	1958	1959	1960
Assumed requirements.....	8,400,000	8,535,000	8,670,000	8,805,000	8,940,000	9,075,000
Domestic areas.....	4,414,000	4,536,500	4,604,000	4,671,500	4,739,000	4,806,500
Beet.....	1,800,000	1,841,000	1,859,215	1,896,620	1,924,024	1,951,430
Mainland cane.....	590,000	539,405	547,431	555,457	563,483	571,509
Hawaii.....	1,052,000	1,052,000	1,067,653	1,083,306	1,098,959	1,114,612
Puerto Rico.....	1,080,000	1,089,805	1,106,020	1,122,236	1,138,452	1,154,667
Virgin Islands.....	12,000	13,480	13,681	13,881	14,082	14,282
Foreign areas.....	3,956,000	3,988,500	4,066,000	4,133,500	4,201,000	4,268,500
Philippines.....	977,000	977,000	977,000	977,000	977,000	977,000
Cuba.....	2,859,840	2,900,640	2,914,000	2,936,500	2,959,000	2,981,500
"Full duty" countries.....	119,160	120,860	175,000	220,000	265,000	310,000
Dominican Republic.....	29,592	30,014	58,393	74,403	80,221	105,789
Mexico.....	12,269	12,444	31,564	40,218	48,768	57,184
Nicaragua.....	8,386	8,506	7,891	10,054	12,192	14,296
Peru.....	55,658	56,452	56,814	72,392	87,782	102,930
Haiti.....	2,863	2,904	5,156	6,022	6,877	7,718
Costa Rica.....	¹ (1,084)	¹ (1,084)	3,409	3,832	4,382	5,097
Formosa.....	¹ (1,114)	¹ (1,114)	3,448	3,882	4,447	5,181
Netherlands.....	¹ (1,123)	¹ (1,123)	3,460	3,898	4,467	5,207
Panama.....	¹ (1,114)	¹ (1,114)	3,448	3,882	4,447	5,181
Belgium.....	¹ (182)	¹ (182)	182	182	182	182
British Guiana.....	¹ (85)	¹ (85)	85	85	85	85
Canada.....	¹ (631)	¹ (631)	631	631	631	631
Hong Kong.....	¹ (3)	¹ (3)	3	3	3	3
United Kingdom.....	¹ (516)	¹ (516)	516	516	516	516
El Salvador.....	4,434	4,497				

¹ Average 1953-54 charges against quotas. These countries do not have specific prorations under the present law. These entries are made within the proration for unspecified countries which amounts to 5,958 tons and 6,043 tons when requirements are 8,400,000 tons and 8,535,000 tons, respectively.

² No entries since 1918.

GENERAL STATEMENT

Participation by the United States sugar producers in the future market growth in this country does no more than restore to them the status they had under sugar-quota legislation prior to World War II.

In the Sugar Act of 1948, quotas for the domestic areas were limited to fixed quantities in order to assist Cuba in making the transition from wartime to peacetime conditions by assigning to her virtually all of the increases in the United States sugar market. It was recognized at the time that the change was of temporary nature and that at the appropriate time the domestic areas should resume participation in market growth.

The committee is of the opinion that 1956 is the appropriate time in view of the fact that all of the domestic areas are producing at or above their quota levels even though successively more stringent production controls have been imposed in several of those areas.

Additional quotas granted to foreign countries are in line with our national policy of broadening our trade relations. Cuba retains its status as our largest foreign supplier by a wide margin and also retains a share in our market growth. Other Latin American countries receive quota increases which are large proportionally to their marketings heretofore, but which are small in relation to our total imports.

The committee recognized the needs of the mainland sugar areas for inventory relief, but preferred not to make a change affecting

quotas for the year 1955 because of the difficulties which would be created for producers in Cuba whose marketing plans for this year already have been completed. Rather, to alleviate the immediate situation in the mainland areas, the committee has authorized a Commodity Credit Corporation loan, purchase, or similar operation with respect to 100,000 tons of 1955 or previous crop mainland sugar.

Cuba's anticipated share of the total United States market is reduced somewhat in 1956, under the provisions of this bill, because of participation by the domestic areas in market increases beginning that year and is further reduced beginning in 1957 because of the enlarged shares of the market thereafter assigned to other countries.

The actual tonnage of sugar which Cuba will market in the United States is expected to increase, however, from year to year because of anticipated continuation of the substantial annual increases in our sugar consumption.

Nevertheless, the committee has suggested to the executive departments of the Government that they give consideration to the possibility of acquiring sugar from Cuba in 1956 to offset the smaller increase in the Cuban quota which will occur that year in comparison to what the increase would have been under the present act which, if not amended, does not expire until December 31, 1956.

Although all producers, foreign and domestic, who participate in the American market are fully aware that it is the privilege and the duty of the Congress to revise the Sugar Act at any time there is impelling cause, this committee has gone to great lengths to protect the status of foreign suppliers in this market.

The committee feels that it has found a fair solution for all parties in this bill, as we have justly brought our own producers into participation in the growth of our own market, and have sought an equitable distribution of the remainder of our market growth among our good-neighbor countries that help supply this market.

NATIONAL POLICY

For many years it has been the policy of the United States Government—for defense and strategic reasons—to preserve within the United States the ability to produce a portion of our sugar requirements. This has been done because sugar is an essential and vital food product needed by American consumers, the supply of which on a worldwide scale has been marked by periods of alternating scarcity and surplus.

A large portion of the world's sugar production is grown in tropical countries with essentially one-crop economies, where cheap labor is abundantly available and cannot be utilized in other enterprises. An additional large portion is distributed among the majority of the countries of the world which, like the United States, provide protection to their sugar industries. In these circumstances, it is unlikely that a significant amount of sugar would be grown in the continental United States if American producers had to compete on the open world market with sugar produced with cheap tropical labor.

For many years, protection was afforded to our sugar producers solely through the tariff. Although the tariff did assist domestic producers, it still left them exposed to the price fluctuations of the world sugar market. It also increased the price of sugar to consumers

in the United States without assuring them of adequate foreign sources of supply in case of emergencies.

A quota system which prorated domestic consumption among producers in the United States and a number of foreign countries was developed and enacted as law in 1934. The quota system was revised in 1937 and again in the present act which became effective in 1948 and was amended in 1951, effective as of January 1, 1953. Since initiation of the quota system, the tariff on sugar has been reduced 75 percent and now represents only supplementary protection to the sugar industry.

A tax of 0.5 cent per pound is imposed on all sugar manufactured or imported into the United States. Payments are made to domestic producers of sugarcane or sugar beets at a rate which ranges from 80 cents per hundredweight of recoverable sugar produced on small farms to as little as 30 cents per hundredweight of production in excess of 30,000 tons of sugar on large farms. To qualify for payments under the program, producers must comply with production restrictions, pay fair wages to workers, and not employ child labor and, if they are also processors, pay fair prices for sugarcane or sugar beets.

Income to the Government from the tax on sugar has been very substantially in excess of the amount disbursed as payments to domestic growers during each of the years under the program. In recent years the income from the excise or import compensating tax has approximated \$80 million annually, while payments to growers have approximated \$65 million.

In the last 18 years there has been a net return to the Treasury of over \$300 million in the difference between collections on the sugar excise tax and the actual cost of the stabilization program.

WORLD SUGAR SITUATION

World sugar production reached a record level of about 47 million tons during 1954-55 despite the fact that production was rigidly controlled in Cuba, the Dominican Republic, and most areas of the United States. By comparison, a century ago production had been less than 2 million tons and in 1900 it was only 13 million tons. During the period just before and after World War II it was about 33 million tons. Production of centrifugal sugar, which now accounts for all but about 6 million tons of the total, is shown by countries for recent years in the following table.

TABLE B.—Centrifugal sugar (raw value): Production in specified countries, averages 1935-39, 1945-49, annual 1951-54^{1 2}

[1,000 short tons]

Continent and country	Averages		1951	1952	1953	1954 ^a
	1935-39	1945-49				
North American (cane and beet):						
British Honduras.....	1	1	3	4	4	4
Canada.....	76	99	133	160	131	124
Costa Rica.....	9	20	33	34	38	35
El Salvador.....	17	27	31	32	36	36
Guatemala.....	19	33	33	44	46	48
Honduras.....	2	1	7	10	11	11
Mexico.....	353	636	807	911	960	1,063
Nicaragua.....	9	21	35	38	42	46
Panama.....	5	11	21	20	21	19
United States (beet).....	1,517	1,514	1,549	1,505	1,817	2,037
United States (cane).....	474	455	419	605	630	607
Hawaii.....	980	861	1,020	1,099	1,077	1,092
Puerto Rico.....	974	1,134	1,360	^a 1,170	^a 1,190	^a 1,200
Virgin Islands.....	6	6	12	14	10	10
Antigua.....	22	25	38	36	14	24
Barbados.....	114	121	176	169	184	162
Cuba.....	3,183	5,897	7,964	^a 5,687	^a 5,390	^a 4,998
Dominican Republic.....	491	509	648	668	699	772
Grenada.....	1	1	2	1	1	1
Guadeloupe.....	60	48	106	96	114	128
Haiti.....	44	49	64	63	54	55
Jamaica.....	119	235	299	370	407	413
Martinique.....	64	29	42	60	78	87
St. Kitts.....	36	40	57	58	56	58
St. Lucia and St. Vincent.....	11	12	14	16	14	16
Trinidad and Tobago.....	149	144	154	172	193	204
Total, North America.....	8,736	11,929	15,027	13,042	13,217	13,250
Western Europe (beet):						
Austria.....	196	46	175	146	197	233
Belgium.....	259	246	293	356	450	375
Denmark.....	260	266	394	295	425	245
Finland.....	13	14	23	22	40	41
France.....	1,078	823	1,395	1,100	1,804	1,860
Germany, Western.....	610	524	1,169	990	1,552	1,445
Ireland.....	89	95	100	102	143	111
Italy.....	414	331	825	819	855	816
Netherlands.....	261	270	386	478	504	468
Spain ^b	202	200	366	669	376	400
Sweden.....	340	311	^c 323	^c 267	^c 388	^c 342
Switzerland.....	13	28	33	32	36	37
United Kingdom.....	515	612	753	686	867	806
Yugoslavia.....	103	127	256	61	211	161
Total western Europe.....	4,353	3,893	6,491	6,023	7,848	7,340
Total eastern Europe.....	2,925	2,055	3,095	2,555	3,430	3,235
Total Europe.....	7,278	5,948	9,586	8,578	11,278	10,575
U. S. S. R. (Europe and Asia) (beet).....	2,761	1,643	2,700	2,500	2,700	2,500
Asia (beet and cane):						
Afghanistan (beet).....			5	4	6	7
Burma.....	27	10	17	25	26	25
China, including Manchuria ^d	87	77	72	96	86	132
India.....	1,303	1,319	1,900	1,700	1,320	1,690
Indochina.....	77	11	7	4	3	3
Indonesia.....	1,207	102	472	637	683	800
Iran (beet).....	23	41	85	87	87	75
Japan (beet).....	46	11	31	38	48	40
Pakistan.....	33	34	83	95	91	100
Philippines, Republic of.....	1,058	382	1,076	1,134	1,435	1,405
Ryukyu Islands.....	32	0	1	4		
Syria (beet).....	0	0	2	7	9	9
Taiwan (Formosa).....	1,240	346	597	983	796	755
Thailand.....	21	28	37	40	40	42
Turkey (beet).....	76	131	228	200	213	218
Total Asia (excluding U. S. S. R.).....	5,230	2,492	4,613	5,054	4,843	5,301

See footnotes at end of table, p 13.

TABLE B.—*Centrifugal sugar (raw value): Production in specified countries, averages 1935-39, 1945-49 annual 1951-54*^{1 2}—Continued

[1,000 short tons]

Continent and country	Averages		1951	1952	1953	1954 ³
	1935-39	1945-49				
South America (cane):						
Argentina.....	510	654	760	654	829	908
Bolivia.....	1	2	3	7	6	7
Brazil.....	830	1,420	1,857	2,151	2,328	2,500
British Guiana.....	210	198	272	269	268	276
Colombia.....	51	135	178	218	240	270
Ecuador.....	24	44	53	64	59	58
Paraguay.....	6	16	33	25	16	19
Peru.....	444	485	528	755	687	690
Surinam.....	15	5	7	8	8	6
Uruguay ⁴	2	3	11	19	25	32
Venezuela.....	22	41	70	80	110	130
Total, South America.....	2,115	3,003	3,772	4,170	4,576	4,596
Africa (cane):						
Angola.....	37	50	54	56	57	50
Belgian Congo.....	14	17	17	18	19	19
British East Africa.....	63	88	88	92	81	91
Egypt.....	166	211	203	247	295	330
Madagascar.....	16	14	17	18	20	15
Madeira and Azore Islands ⁵	9	9	11	11	11	11
Mauritius.....	320	351	535	517	566	551
Mozambique.....	81	86	92	99	101	99
Reunion.....	91	81	142	174	189	200
Union of South Africa.....	498	542	533	670	725	828
Total, Africa.....	1,295	1,449	1,697	1,902	2,064	2,194
Oceania (cane):						
Australia.....	894	830	809	1,027	1,364	1,425
Fiji.....	150	131	146	183	192	180
Pacific Islands.....	69	0	0	0	0	0
Total Oceania.....	1,113	961	955	1,210	1,556	1,605
World total (cane).....	16,755	18,043	24,008	23,358	23,888	24,687
World total (beet).....	11,773	9,382	14,342	13,098	16,346	15,634
World total (beet and cane).....	28,528	27,425	38,350	36,456	40,234	40,321

¹ Centrifugal sugar, as distinguished from noncentrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade.

² Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year, except in certain cane-sugar-producing countries in the Southern Hemisphere, such as Australia, Argentina, Mauritius, Union of South Africa, etc., where the season begins in May or June of the year shown.

³ Preliminary.

⁴ Restricted crop.

⁵ Includes a small amount of cane sugar.

⁶ Including sugar from Danish beets processed in Sweden.

⁷ Includes both cane and beet sugar.

Source: Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of agricultural attachés and other United States representatives abroad, results of office research and other information. Estimates of countries having boundary changes have been adjusted to postwar boundaries.

The remarkable increase in production long ago removed sugar from the category of luxury food items and made it one of the cheapest of all foods on a caloric basis. Postwar increases in production have brought the world market price down to the present low level of about 3.25 cents per pound.

Production has been stimulated by special incentives in the way of subsidies, tariffs, and other programs designed to make most of the countries of the world partially or wholly self-sufficient with respect to sugar production. In those tropical areas where sugar is produced in large quantities for export, the absence of other opportunities for utilizing labor has tended to promote ever-increasing production

through low wages. Because of these situations, falling prices have not had the familiar effect of curtailing production. In a similar way, consumption has not tended to rise significantly in response to price declines because of high retail prices for sugar in many countries resulting from consumption taxes and other devices which insulate the retail price of sugar in those countries from the free world market price.

In most of the countries of the world, the price of sugar to consumers is from 2 to 17 cents above the world market level.

The International Sugar Agreement negotiated in London during 1954 has as one of its objectives the promotion of sugar consumption through the removal of excessive taxation and other consumption retarding devices and the discouragement of undue protectionism. The long-term effect of the agreement in this respect may be very helpful and in the meantime world consumption has been rising at a quite remarkable rate in response to population growth and improving economic conditions.

The International Sugar Agreement is also designed to gear production of sugar destined for sale in the world market to demand in that market. Nevertheless, the outlook is the same as it has been in the past: chronic production in excess of demand during nonemergency periods alternating with unsatisfiable demand during emergency or wartime periods.

Prior to the war, our domestic production fluctuated considerably and averaged about 4 million tons, the level it had attained in 1933. During the war, and particularly in the latter stages, our national policy was to encourage other crops to a greater extent than sugar beets. Because of this situation coupled with labor and supply shortages resulting from the war, as well as direct war activities, production declined in each of the domestic areas, except the mainland cane area and averaged about 3.5 million tons. Under the Sugar Act of 1948, production has risen in each of the domestic areas and for the period has averaged about 4.5 million tons. Last year it totaled 4.9 million tons.

HISTORICAL DEVELOPMENTS

The first tariff on sugar was imposed in 1789 to provide revenue for this country in the early years of its independence. During the major part of the 19th century, when import duties and domestic excise taxes were the chief source of Government receipts, the sugar tariff yielded close to 20 percent of our import duties.

The revenue tariff, incidentally, provided protection to the sugar industry in Louisiana after that area became a United States Territory in 1803. Hawaii also received the benefit of tariff protection under the Reciprocal Treaty of 1876 negotiated with the then Kingdom of Hawaii. Following a short experiment during the years between 1890 and 1894, with sugar on the free list and with a 2-cent-per-pound bounty on domestically produced sugar, the tariff was reenacted strictly as a protective device for the domestic industry.

After the Spanish-American War, our new possessions, Puerto Rico and the Philippines, received the benefit of tariff protection and a preferred tariff status was granted to Cuba. Production expanded rapidly in all three areas and also in the mainland sugar-beet area which had developed in the latter part of the 19th century, but which expanded rapidly in the early years of the present century.

During the protective tariff period, our sugar industry experienced alternating periods of prosperity and depression. But by 1933 it had become clear that the tariff system alone would no longer adequately protect the domestic industry and yet it had forced Cuba, our principal foreign supplier, to the brink of economic and political disaster. Sugar prices in Cuba that year declined to a small fraction of the 2-cent-per-pound tariff. Cuba was no longer a major market for American goods and mainland sugar producers could not get "fair exchange value" for their sugar crops.

Under the present quota system, the tariff is a supplementary means of protection and has been reduced progressively from a rate of 2 cents per pound of Cuban sugar in 1934 to the present rate of 0.5 cent per pound.

Congress in 1934 enacted the Jones-Costigan Act, which restricted the supply of sugar in the United States market to a total quantity determined each year by the Secretary of Agriculture. Market shares for the mainland beet and cane areas were established in the act largely on the basis of production during the 2 preceding years. The Secretary was given discretionary power to determine which 3 years during the 9-year period, 1925-33, would serve "as the most representative" years to form the basis for the quotas of each of the offshore areas. For most of the areas he chose the period 1931-33, and for Hawaii the period 1930-32. The act also provided for an excise tax on sugar and for benefit payments to domestic growers as well as for control of domestic production and imports.

The Sugar Act of 1937 established each area's share of the market on the basis of percentages which were about the same as those developed through experience under the 1934 act. As a group, the domestic areas received 55.59 percent of total domestic requirements and were guaranteed a minimum quota of 3,750,000 tons. Cuba's percentage was 28.60; the "full duty" countries, 0.40; and the Republic of the Philippines, 15.41, with a guaranteed minimum quota for the latter country of 952,000 tons of sugar, *tel quel*.

The act provided for an excise tax at the rate of one-half cent per pound of sugar and also provided for payments to domestic growers on the conditions that marketings were kept within quota limits, that they paid fair wages and employed no child labor, and that those who were also processors paid fair prices for sugarcane or sugar beets.

After suspension of quotas during the war years, the Sugar Act of 1948 was enacted with a number of changes designed to meet the problems of the postwar transitional period. This committee emphasized in its report at that time that the act was to be regarded in that light and not as the establishment of long-term national sugar policy.

The domestic areas were given fixed tonnage quotas which were roughly equivalent to the percentage shares they had received under the 1937 act. The Republic of the Philippines, whose sugar industry had been demolished during the war, received the fixed tonnage quota specified in the Philippines Trade Act of 1946, 952,000 tons of sugar, *tel quel*. Cuba and the "full duty" countries became the residual suppliers, with Cuba receiving 98.64 percent of such needed supplies. Cuba also was to supply 95 percent of the deficits in the Philippines quota which, it was known, would be large during the years when that country was rebuilding its sugar industry. The "full duty" countries which formerly received all of the Philippines deficits retained 5 percent.

The Sugar Act was amended and extended in 1951, effective as of January 1, 1953. The major features of the 1948 act were retained unchanged, except that the quota for Puerto Rico was increased by 170,000 tons, that for the Virgin Islands by 6,000 tons, and Cuba's share of the residual quota was reduced to 96 percent, while the share of the full duty countries was raised to 4 percent.

Because of the special consideration given to Cuba under the 1948 act and the healthy demand in the world market, Cuba, contrary to expectations, was not required to cut its production during the early postwar years. As a result of the flourishing demand for sugar during the period of the Korean hostilities, Cuba actually was enabled to increase production steadily until 1952, when the record crop of 8 million tons was harvested. That crop, however, supplied all world needs and left a surplus of approximately 2 million tons, which has overhung the market since that time. Beginning with the next crop, Cuba curtailed production and has continued to do so during each succeeding year.

Cuba has supplied to this market an average of 2.1 million tons under the Sugar Act of 1937, 2.9 million tons during the war years, 3.0 million tons during the 5 years under the Sugar Act of 1948, and 2.7 million tons during the 2 completed years under the present extension.

When the act was last extended in 1951, Puerto Rico was the only domestic area which had experienced a surplus crop and the quota for that area was increased by 170,000 tons to alleviate the problem. When the extension became effective in 1953, it already had become apparent, however, that production was rising rapidly to quota levels in all of the domestic areas. Farm production, in general, was moving toward a surplus situation in 1952 and, as a result, sugar beets have become increasingly favorable in relation to alternative crops.

Production research has made available new varieties of both sugar beets and sugarcane plus improved fertilization practices which have tended to increase yields substantially in the last few years. This tendency has been particularly strong in the mainland cane area.

Marketing allotments and acreage controls have been in effect in Puerto Rico continuously under the present extension of the act. Marketing allotments were imposed in the mainland cane area in 1953 and in the mainland beet area in 1954. Acreage allotments have been in effect in the mainland cane area since 1954 and in the belt area beginning with the present crop.

Current sugar inventories in both mainland areas are about 200,000 tons above average. In the mainland cane area inventories amount to 400,000 tons, or 110 percent above average, and in the mainland beet area 1,600,000 tons, or 15 percent above average.

SUGAR PRICES

A hundred years ago, sugar was very expensive and quite rare. After the Civil War, for instance, raw sugar wholesaled for more than 20 cents per pound and at one time in our history the tariff alone on loaf sugar was 12 cents per pound. As the price of sugar declined, consumption rose until the middle 1920's, after which time price appeared to have little effect upon the rate of sugar consumption in this country. The price of sugar in relation to other foods and per capita

distribution of sugar are shown in the following table for the period since 1860:

TABLE C.—*Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods, annually 1860 to 1954 and monthly January to May 1955*

[Index numbers of per capita disposable income and wholesale sugar prices in relation to per capita disposable income annually, 1910-54, and 1st quarter of 1955]

Year	Sugar price, net cash, New York	Index numbers (1935-39=100)		Sugar prices in relation to—	
		Prices of all foods (wholesale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	<i>Cts. per lb.</i>			<i>Cts. per lb.</i>	<i>Cts. per lb.</i>
1860.....	9.78	78	-----	12.54	-----
1861.....	8.75	73	-----	11.99	-----
1862.....	11.16	87	-----	12.83	-----
1863.....	14.28	100	-----	14.28	-----
1864.....	22.56	154	-----	14.65	-----
1865.....	21.56	147	-----	14.67	-----
1866.....	16.68	141	-----	11.97	-----
1867.....	15.78	136	-----	11.00	-----
1868.....	16.32	139	-----	11.74	-----
1869.....	16.19	126	-----	12.85	-----
1870.....	13.53	113	-----	11.97	-----
1871.....	13.28	106	-----	12.53	-----
1872.....	12.37	99	-----	12.49	-----
1873.....	11.34	100	-----	11.34	-----
1874.....	10.56	103	-----	10.25	-----
1875.....	10.72	98	-----	10.94	-----
1876.....	10.47	92	-----	11.38	-----
1877.....	11.31	94	-----	12.03	-----
1878.....	9.48	76	-----	12.47	-----
1879.....	8.78	73	-----	12.03	-----
1880.....	9.60	78	-----	12.31	-----
1881.....	9.67	86	-----	11.24	-----
1882.....	9.23	93	-----	9.92	-----
1883.....	8.51	84	-----	10.13	-----
1884.....	6.78	76	-----	8.92	-----
1885.....	6.44	69	-----	9.33	-----
1886.....	6.12	64	-----	9.56	-----
1887.....	6.01	70	-----	6.59	-----
1888.....	7.01	70	-----	10.01	-----
1889.....	7.64	64	-----	11.94	-----
1890.....	6.17	70	-----	8.81	-----
1891.....	4.64	69	-----	6.72	-----
1892.....	4.35	64	-----	6.80	-----
1893.....	4.84	69	-----	7.01	-----
1894.....	4.12	61	-----	6.75	-----
1895.....	4.15	60	-----	6.92	-----
1896.....	4.53	55	-----	8.24	-----
1897.....	4.50	58	-----	7.76	-----
1898.....	4.96	60	-----	8.27	-----
1899.....	4.92	60	-----	8.20	-----
1900.....	5.32	64	-----	8.31	-----
1901.....	5.05	61	-----	7.89	-----
1902.....	4.46	68	-----	6.56	-----
1903.....	4.64	66	-----	7.03	-----
1904.....	4.77	69	-----	6.91	-----
1905.....	5.26	69	-----	7.62	-----
1906.....	4.52	68	-----	6.65	-----
1907.....	4.65	72	-----	6.46	-----
1908.....	4.96	74	-----	6.70	-----
1909.....	4.76	79	-----	6.03	-----
1910.....	4.97	82	63	6.06	7.89
1911.....	5.34	78	63	6.85	8.48
1912.....	5.04	85	67	5.93	7.52
1913.....	4.28	82	69	5.22	6.20
1914.....	4.68	82	68	5.71	6.88
1915.....	5.56	82	71	6.78	7.83
1916.....	6.86	95	82	7.22	8.37
1917.....	7.66	132	98	5.80	7.82
1918.....	7.83	151	108	5.19	7.25
1919.....	9.00	164	122	5.49	7.38
1920.....	15.55	174	126	8.94	12.34
1921.....	6.19	114	99	5.43	6.25
1922.....	5.93	111	104	5.34	5.70
1923.....	8.41	117	119	7.19	7.07

TABLE C.—Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods annually 1860 to 1954 and monthly January to May 1955—Continued

Year	Sugar price, net cash, New York	Index numbers (1935-39=100)		Sugar prices in relation to—	
		Prices of all foods (wholesale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	<i>Cts. per lb.</i>			<i>Cts. per lb.</i>	<i>Cts. per lb.</i>
1924	7.31	115	118	6.36	6.19
1925	5.45	126	123	4.33	4.43
1926	5.46	126	126	4.33	4.33
1927	5.79	122	124	4.75	4.67
1928	5.52	128	126	4.31	4.38
1929	5.03	126	132	3.99	3.81
1930	4.62	114	117	4.05	3.95
1931	4.43	95	99	4.66	4.47
1932	3.99	77	75	5.18	5.32
1933	4.32	77	70	5.61	6.17
1934	4.44	89	80	4.99	5.55
1935	4.85	106	89	4.58	5.45
1936	4.69	104	101	4.51	4.64
1937	4.73	108	107	4.38	4.42
1938	4.48	93	98	4.82	4.57
1939	4.58	89	105	5.15	4.36
1940	4.33	90	112	4.81	3.87
1941	4.92	105	136	4.69	3.62
1942	5.45	126	170	4.33	3.21
1943	5.49	135	190	4.07	2.89
1944	5.46	133	206	4.11	2.65
1945	5.39	134	209	4.02	2.58
1946	6.34	165	219	3.84	2.89
1947	8.12	206	228	3.94	3.56
1948	7.60	222	249	3.42	3.05
1949	7.81	202	245	3.87	3.19
1950	7.84	207	264	3.79	2.97
1951	8.21	232	285	3.54	2.88
1952	8.45	229	294	3.69	2.87
1953	8.55	219	305	3.90	2.80
1954	8.55	218	304	3.92	2.81
1955—January	8.48	214	—	3.96	—
February	8.45	215	—	3.93	—
March	8.38	212	—	3.95	—
January–March average	8.44	214	1 307	3.94	2.75
April	8.38	215	—	3.90	—
May	8.38	213	—	3.93	—
June	8.38	—	—	—	—
April–June average	8.38	—	—	—	—

¹ Preliminary, at annual rate.

Sources:

Column 2:

1860-99: Palmers Sugar Manual Concerning Sugar.

1900-55: Lamborn Sugar Market Report.

Column 3:

1860-1909: Whole Prices for 213 Years, Warren and Pearson.

1910-55: Index numbers of the Bureau of Labor Statistics converted to 1935-39=100.

Column 4:

1910-28: Estimates by BAE.

1929-51: Computed by BAE from data of U. S. Department of Commerce.

Column 5: Column (2) divided by column (3).

Column 6: Column (2) divided by column (4).

In relation to the price of other foods, the price of sugar in the United States as in other countries of the world has declined greatly during the past century and still continues to do so. Since 1940, for instance, the wholesale price of all foods has increased much more than the wholesale price of refined sugar. Last year, the wholesale price of all foods was 141 percent higher than in 1940, whereas the wholesale price of sugar was only 97 percent higher than in 1940.

Because of protective devices such as tariffs, exchange restrictions, and production subsidies which are applied to sugar in almost every major sugar-consuming country of the world, relatively little sugar is sold in markets where it does not enjoy preferential treatment. As a result of this market narrowness, the world market price of sugar fluctuates widely and is very sensitive to relatively minor shortages or surpluses in world production.

The sugar acts have eliminated the extremes of very high and very low prices in the United States market. They have protected domestic growers during long periods of price depression in the world market and likewise have protected consumers during shorter but sharper periods of price inflation in that market. Price stability has helped assure adequate supplies to consumers and a market for a definite quantity of production to producers.

The following table shows, monthly, beginning in 1947, the world market price for raw sugar, the price of raw and refined sugar in this country, and the price that would be in line with the price formula of section 201 of the Sugar Act. It is interesting to note the stability of domestic prices in relation to the world market and also the fact that domestic sugar prices have remained well below the formula price mentioned in the act.

TABLE D.—*Sugar prices: Raw and refined, monthly, January 1947 to date*

[Cents per pound]

Year and month (1)	Raw sugar		Refined sugar (wholesale, New York)	
	New York, duty paid (2)	World, free along- side ship Cuba (3)	Actual (4)	Adjusted ¹ (5)
1947—January.....	¹ 6.03	¹ 5.03	8.09	8.03
February.....	¹ 6.12	² 5.03	8.20	8.02
March.....	¹ 6.12	² 5.03	8.20	8.18
April.....	¹ 6.18	² 5.03	8.25	8.18
May.....	¹ 6.18	² 5.03	8.25	8.17
June.....	¹ 6.18	² 5.03	8.25	8.23
July.....	¹ 6.18	² 5.03	8.25	8.30
August.....	¹ 6.30	² 5.03	8.38	8.39
September.....	¹ 6.32	² 5.03	8.40	8.59
October.....	¹ 6.32	² 5.03	8.40	8.59
November.....	¹ 6.32	² 5.03	8.40	8.64
December.....	¹ 6.32	² 5.03	8.40	8.75
Average.....	¹ 6.21	² 5.03	8.29	8.34
1948—January.....	5.65	3.96	8.21	8.85
February.....	5.50	4.24	7.82	8.78
March.....	5.42	4.26	7.75	8.75
April.....	5.35	4.43	7.75	8.87
May.....	5.14	4.27	7.60	8.94
June.....	5.35	4.06	7.51	9.01
July.....	5.69	4.10	7.75	9.11
August.....	5.78	4.41	7.75	9.15
September.....	5.66	4.39	7.75	9.15
October.....	5.65	4.32	7.75	9.11
November.....	5.68	4.27	7.75	9.04
December.....	5.66	4.03	7.75	9.00
Average.....	5.54	4.23	7.76	8.98
1949—January.....	5.69	4.00	7.99	8.97
February.....	5.65	3.95	8.00	8.87
March.....	5.68	4.17	7.96	8.90
April.....	5.63	4.09	8.10	8.92
May.....	5.78	4.04	8.02	8.89
June.....	5.86	4.08	7.87	8.91
July.....	5.83	4.13	7.85	8.86
August.....	5.88	4.20	7.85	8.87
September.....	6.01	4.19	7.90	8.92
October.....	6.02	4.33	8.05	8.87
November.....	5.91	4.33	8.05	8.87
December.....	5.74	4.39	8.05	8.82
Average.....	5.81	4.16	7.97	8.89
1950—January.....	5.74	4.62	8.05	8.79
February.....	5.59	4.47	7.92	8.77
March.....	5.54	4.44	7.74	8.80
April.....	5.53	4.37	7.70	8.80
May.....	5.71	4.21	7.70	8.85
June.....	5.78	4.21	7.70	8.89
July.....	6.07	4.89	7.97	8.99
August.....	6.25	5.83	8.22	9.06
September.....	6.25	5.88	8.25	9.12
October.....	6.23	5.84	8.25	9.17
November.....	6.19	5.58	8.25	9.21
December.....	6.30	5.36	8.25	9.34
Average.....	5.93	4.98	8.00	8.98
1951—January.....	6.09	5.22	8.25	9.49
February.....	5.96	4.96	8.25	9.60
March.....	5.90	5.48	8.25	9.63
April.....	5.81	5.57	8.25	9.64
May.....	6.36	6.62	8.40	9.69
June.....	6.59	7.41	8.60	9.68
July.....	6.30	6.75	8.74	9.69
August.....	6.00	5.61	8.52	9.69
September.....	6.00	5.52	8.50	9.75
October.....	5.93	5.28	8.25	9.79

See footnotes at end of table, p. 21

TABLE D.—*Sugar prices: Raw and refined, monthly, January 1947 to date—Con.*

[Cents per pound]

Year and month (1)	Raw sugar		Refined sugar (wholesale, New York)	
	New York, duty paid (2)	World, free along- side ship Cuba (3)	Actual (4)	Adjusted ¹ (5)
1951—November.....	5.97	4.83	8.25	9.85
December.....	5.79	4.84	8.25	9.88
Average.....	6.06	5.67	8.38	9.70
1952—January.....	5.80	4.54	8.21	9.88
February.....	5.77	4.38	8.15	9.82
March.....	6.16	4.30	8.38	9.82
April.....	6.31	4.30	8.65	9.86
May.....	6.21	4.24	8.65	9.87
June.....	6.43	4.17	8.69	9.90
July.....	6.48	4.16	8.80	9.97
August.....	6.43	4.05	8.80	9.98
September.....	6.50	4.00	8.80	9.97
October.....	6.59	4.01	8.80	9.97
November.....	6.44	4.00	8.80	9.98
December.....	6.06	3.84	8.71	9.97
Average.....	6.26	4.17	8.62	9.91
1953—January.....	6.04	3.55	8.58	9.95
February.....	6.16	3.52	8.50	9.90
March.....	6.33	3.27	8.65	9.92
April.....	6.38	3.38	8.75	9.93
May.....	6.35	3.65	8.75	9.96
June.....	6.37	3.62	8.75	10.00
July.....	6.41	3.60	8.79	10.02
August.....	6.40	3.53	8.85	10.04
September.....	6.41	3.29	8.85	10.06
October.....	6.40	3.15	8.85	10.08
November.....	6.15	3.10	8.69	10.04
December.....	6.05	3.27	8.65	10.04
Average.....	6.29	3.41	8.72	10.00
1954—January.....	6.04	3.30	8.65	10.06
February.....	6.06	3.39	8.65	10.04
March.....	6.18	3.28	8.73	10.03
April.....	6.19	3.36	8.80	10.01
May.....	6.10	3.32	8.80	10.04
June.....	6.15	3.27	8.80	10.05
July.....	6.19	3.13	8.80	10.06
August.....	6.09	3.18	8.80	10.04
September.....	5.98	3.21	8.70	10.02
October.....	5.96	3.25	8.65	10.00
November.....	6.15	3.26	8.65	10.01
December.....	5.96	3.19	8.65	9.98
Average.....	6.09	3.26	8.72	10.03
1955—January.....	5.96	3.17	8.65	9.98
February.....	5.94	3.17	8.62	9.98
March.....	5.84	3.22	8.55	9.98
April.....	5.82	3.31	8.55	9.97
May.....	5.95	3.38	8.55	-----
June.....	6.02	3.26	8.55	-----

¹ Average delivered price charged United States refiners by Commodity Credit Corporation.² Prices paid to Cuba by CCC plus CCC's expenses of approximately 1 percent.³ Adjusted for changes in Consumer's Price Index (Sugar Act Formula).

ANALYSIS OF THE BILL

Definitions

The amendments contained in sections 1 through 4 of the bill revise some of the definitions contained in title I of the Sugar Act of 1948, as amended. In general, these amendments are for the purpose of clarifying definitions in a manner such that their literal wording will

be in keeping with the intent of the act, and to provide more specific instructions for administering those provisions of the act dependent upon definitions.

The first and second sections of the bill amend subsections (d) and (e) of section 101 of the act. Subsection (d) defines raw sugar and subsection (e) defines direct-consumption sugar. The amendments clarify the present definitions with respect to the classification for quota purposes of liquid sugar from domestic areas as either raw or direct-consumption sugar. (The wording of the present definitions is such that liquid sugar cannot technically be classified as either raw or direct-consumption sugar. Consequently, a literal interpretation of the present definitions would permit liquid sugar of refined quality from domestic off-shore areas to enter under the overall quotas without regard to the direct-consumption limitations.) The amendments to subsections (d) and (e) provide that liquid sugar from domestic areas would be classified as either raw or direct-consumption sugar in accordance with the same principle that is applied to the quota classification of crystalline sugar. The amendments specifically exclude from such classification liquid sugar from foreign countries inasmuch as liquid sugar entries from such areas are limited by fixed quotas.

Section 3 of the bill amends subsection (i) of section 101 of the act by striking out the parenthetical word "(Clerget)". The word "Clerget" refers to an analytical method and its deletion does not affect the meaning of the term "total sugar content" which is defined in subsection (i). Its deletion in the amendment, however, does relieve the Secretary of Agriculture of requiring the use of a method (the Clerget method) for determining sucrose in the measurement of total sugar content, which is not the most accurate method for the conditions under which its use is prescribed. The amendment permits the Secretary to specify more accurate methods for such determinations.

Section 4 of the bill adds a new subsection (n) to section 101 of the act. The amendment defines the term "to be further refined or improved in quality", which is contained in both the raw and the direct-consumption sugar definitions and is a criterion for distinguishing raw from direct-consumption sugar for quota purposes. The definition of the term "to be further refined or improved in quality" basically establishes the minimum processing to which sugar must be subjected before it can be classified as raw sugar. In the event that there is any question as to the processes to which raw sugar is to be subjected or as to the quality of the sugar being processed, the amendment also provides the Secretary of Agriculture with authority to hold hearings to determine whether specific processes to which sugar is subjected meet the requirements of the standards established by the amendment or whether sugar processed is of raw or direct-consumption sugar quality. The amendment gives clearer guidance to the Secretary of Agriculture in administering those provisions of the act, which require him to classify sugar as raw or direct-consumption for making the proper quota charges. The amendment permits the Secretary to consider the type and extent of processing and the quality of sugar in addition to the use criterion contained in subsections (d) and (e) in distinguishing raw sugar from direct-consumption sugar.

Price objective

Section 5 merely amends the base period for the consideration that the Secretary is directed in section 201 of the act to give to the relationship between the wholesale price of refined sugar and the general cost of living in the United States. The bill changes the base period from 1947 to the now generally accepted statistical base period of 1947-49.

Quotas

Section 6 amends 202 (a) of the Sugar Act, which establishes the quotas for the domestic areas. The present fixed quotas for those areas are retained and, in addition, the domestic areas are assigned 50 percent of all increases in sugar requirements in excess of 8,350,000 short tons, raw value. The first 188,000 tons, or any part thereof, by which quotas for the domestic areas are so increased in 1956 are apportioned 45.2 percent to the domestic beet area; 42.6 percent to the mainland cane area; 10.6 percent to Puerto Rico; and 1.6 percent to the Virgin Islands. Any additional increase in 1956 is apportioned on the basis of the fixed quantities plus the percentage increases referred to above. For 1957 and subsequent years, quotas for the domestic areas are apportioned in the manner described above to the extent of the quantity so apportioned in 1956 and any further increases are apportioned in accord with the final quotas established for 1956.

Section 7 amends section 202 (c) of the act which relates to the quotas for foreign countries other than the Republic of the Philippines. The effect of section 6 of the bill with respect to these quotas, it will be recalled, is to reduce participation in consumption requirements in excess of 8,350,000 short tons from 100 percent under the present act to 50 percent. In 1956, there are no changes in the provisions of the bill relating to the sharing of the quota for foreign countries other than the Republic of the Philippines; but, beginning with 1957, Cuba retains 96 percent and other such foreign countries 4 percent of the quotas for such countries resulting from consumers' requirements of 8,350,000 short tons, or less, but Cuba receives 50 percent and the other foreign countries also receive 50 percent of the quotas for such countries which result from consumers' requirements in excess of 8,350,000 short tons; provided, however, that the quota for foreign countries other than Cuba and the Republic of the Philippines shall be 175,000 short tons in 1957 and shall be increased by 45,000 short tons annually thereafter.

The quota for foreign countries other than Cuba and the Republic of the Philippines is apportioned in accord with the present act in 1956 but, beginning with the calendar year 1957, is apportioned by first assigning to each such country whose average annual importations during the years 1953 and 1954 were less than 1,000 short tons, a proration equal to such average importations; second, assigning to each such country whose average annual importations during those years were more than 1,000 but less than 3,000 short tons, a proration of 2,000 tons in addition to the basic proration assigned to such countries below; and, third, by assigning to each such country whose average annual importations during those years were more than 1,000 tons but less than 2,000 tons, a proration in 1957 equal to its average importations during 1953 and 1954 plus 30 percent thereof and for each subsequent year such proration is increased by 30 percent of the

proration for the immediately preceding calendar year and, fourth, by apportioning the quota not otherwise prorated 37 percent to the Dominican Republic, 36 percent to Peru, 20 percent to Mexico, 5 percent to Nicaragua, and 2 percent to Haiti.

Section 8 of the bill amends section 202 of the act by the addition of three subsections ((e), (f), and (g)), which relate to restrictions on quotas for foreign countries under specified conditions.

Subsection (e) affects quotas of those foreign countries having quotas in excess of 10,000 short tons. The amendment provides that the quota of any such foreign country failing by more than 10 percent to fill its quota or proration in any year during which the world price of sugar exceeds the domestic price shall be reduced by an amount equal to the amount by which the country failed to fill its quota or proration, unless failure to do so was due to crop disaster or force majeure, or under quota reduction would be contrary to the objectives of the act, as determined by the Secretary. The overall effect of the amendment is to assure deliveries of sugar from foreign countries when world conditions are such as to encourage sales of sugar in the world market rather than to the United States market. The amendment provides that any quota reductions shall be prorated to other areas as though it were a deficit under section 204 of the act.

Subsection (f) affects quotas of those foreign countries that are not a party to or bound by the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the U. S. Senate on April 29, 1954). The amendment provides that the quota or proration of any such foreign countries shall not be increased above the level attained for the calendar year 1956 unless the country becomes a party to the agreement not later than January 1, 1957. This amendment does not affect the quotas of domestic areas or foreign countries that are bound by the agreement.

Subsection (g) affects the quota of any foreign country which substantially restricts its importations of raw or processed agricultural commodities from the United States by means of trade or similar barriers. The amendment authorizes the Secretary of Agriculture to determine whether such barriers have resulted in substantial reductions in the importation of our agricultural commodities. In the event that the Secretary does determine that a foreign country having a quota has substantially reduced such importations, the quota of that country will be suspended in any year when the import restrictive measures are in effect, except that the quota for Cuba shall not be reduced below the minima provided in subsection 202 (d). The amendment provides that the suspended quota shall be prorated to other areas as though it were a deficit under section 204 of the act.

Proration of deficits

Section 9 amends section 204 of the act which establishes the method of prorating deficits. The effect of the change is to prorate to domestic areas alone, rather than to Cuba and domestic areas, any deficit in a domestic sugar-producing area which occurs because of inability to market that part of its quota resulting from the fixing of consumers' requirements in excess of 8,350,000 short tons. A further change directs the Secretary, in the event a domestic area is unable to fill its proration of any deficit resulting from the fixing of consumers' requirements in excess of 8,350,000 short tons, to apportion such un-

filled amount to such other domestic areas which are able to fill the deficit and in the event there are no such areas, to add the appropriate quantity of sugar to the quota of Cuba.

Allotment of quotas or prorations

Section 10 amends section 205 (a) of the act by authorizing the Secretary, when he allots any quota or proration established for an area, to consider in addition to the factors presently specified, and to make appropriate allowance for the diverse effect of drought, storm, flood, freeze, disease, insects, and other uncontrollable conditions which seriously and broadly affect a general area served by the factory or factories of such allottee.

Direct-consumption sugar limitations

Section 11, in amending section 207 (a) of the act, provides that portions of the quotas for Hawaii and Puerto Rico which may be filled by direct-consumption sugar are to be increased in the same proportion as the quotas for those areas are increased and with respect to Puerto Rico, that such increased in the direct-consumption portions of the quotas may be filled by either crystalline or liquid sugar but restricts to crystalline sugar the filling of the present direct-consumption portion of the Puerto Rico quota of 126,033 short tons.

Section 12 of the bill amends the limitations in section 207 (b) of the act with respect to the direct-consumption sugar which apply to the quotas of foreign countries other than Cuba and the Republic of the Philippines by permitting countries with overall quotas of 7,000 short tons or less to fill their entire quotas with direct-consumption sugar. The limitation to 1.36 percent of the sum of the quotas for foreign countries other than the Philippines which under the act may currently be filled with direct-consumption sugar by all foreign countries other than Cuba, and the Republic of the Philippines is made applicable to all such countries other than those whose total quotas do not exceed 7,000 short tons and is prorated on the basis of the average importation of direct-consumption sugar during the years 1951, 1952, 1953, and 1954 from such countries.

Conditional payments to domestic producers

Section 13 of the bill amends the present restriction in section 301 (b) of the act of the quantity of sugar which may be marketed or processed from sugar beet or sugarcane grown on the farm of a producer to permit the marketing or processing of additional sugar beets or sugarcane into sugar for livestock feed in excess of the proportionate share for the farm.

Section 14 of the bill amends section 302 (b) of the act by authorizing the Secretary in determining proportionate shares with respect to domestic sugar beet and sugarcane farms in addition to the considerations provided in the present act to protect, to the extent practicable, the interests of producers in any local producing area whose past production has been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions. He is also authorized, on application of any owner of a farm in Puerto Rico, to transfer the sugarcane production record for any parcel or parcels of land in that Commonwealth owned by such applicant to any other parcel or parcels owned by applicant if he finds such transfer to be in the public interest because of

more economic utilization of land resources, the conservation of soil and water resources, or the fostering of greater diversification of agricultural production.

Administrative provisions

Section 15 of the bill adds a new subsection (b) to section 405 of the act and designates the present section 405 as subsection (a). The new subsection provides that any person whose sugar-processing operations meet the requirements of subsection 101 (n) (sec. 4 of the bill) and who imports and processes sugars, subsequently determined to be of direct-consumption quality and in excess of direct-consumption quotas, shall be penalized 1 cent per pound of such sugar. Since sugar is often entered and partly or completely processed before a determination of its quality is made, it is possible that some sugar subsequent to its processing will be determined to be direct-consumption sugar. In the event that the direct-consumption sugar quota for the area from which the sugar has been imported or brought into the United States has been filled, it is necessary to provide a penalty for violation of the direct-consumption limitations. The amendment provides a penalty of such magnitude as to make it unprofitable to process direct-consumption sugar in excess of the direct-consumption limitations.

Section 16 of the bill amends section 407 of the act. The amendment provides that the provisions of section 407 shall not apply to persons whose services are required for the administration of the act in field offices and other governmental agencies. The application of the provisions of section 407 to officials (State, county, and community officials and employees) who do not have information that might aid them in investing or speculating in sugar has on occasion precluded the Department of Agriculture from obtaining the services of persons who are best qualified to serve in field offices. The difficulties have been most acute and embarrassing in areas served by cooperative sugar mills. The amendment does not remove the restrictions of section 407 from Washington officials who do have information that would be of value in investing or speculating in sugar, but it does permit the employment of State, county, and community committeemen and employees who own stock in a sugar company or who are members of a cooperative mill.

Section 17 of the bill inserts a new section 411, and renumbers the present sections 411 and 412 of title IV of the act. The new section 411 authorizes the Secretary of Agriculture to reconcile quotas covering imports from foreign countries with article 7 of the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the U. S. Senate on April 23, 1954). The amendment restricts quotas of only those countries that do not participate in the agreement, and permits the Secretary to take similar action on the corresponding provisions of successor agreements.

Periods for which bill is effective

Section 18 amends renumbered section 412 of the act and provides for termination of the act on December 31, 1960, except that the Secretary shall have power to make payments under title III on programs applicable for the crop year 1960 and previous crop years.

Section 21 extends to June 30, 1961, the period during which the excise and import compensating tax is applicable to sugar.

Section 24 of the bill provides that amendments shall become effective January 1, 1956, except as otherwise designated (sec. 7 of the bill dealing with the quotas for foreign countries other than the Republic of the Philippines which becomes effective in 1957 and sec. 19 which becomes effective upon enactment), and except that required determinations and regulations may be issued in 1955 for the calendar year 1956.

Loans, purchases, and other operations by Commodity Credit Corporation

Section 19 of the bill provides a new section 414 for the act and directs Commodity Credit Corporation to carry out loans, purchases, or other operations with respect to 100,000 short tons of sugar produced from the 1955 or previous crops in United States sugar-producing areas in order to help alleviate the excessive inventory situation in those areas. Sugar acquired under such programs is to be disposed of outside of the continental United States in a manner which will not unduly interfere with normal marketings of sugar. Disposition under the Agricultural Trade Development and Assistance Act of 1954, as amended, is specifically mentioned as a method of disposition. Loans on sugar are of the usual nonrecourse nature of such loans for other commodities under similar programs. Sugar acquired under such programs is not subject to title II of the act which concerns itself with quota provisions.

Mandatory support at 90 percent of parity

Section 20 of the bill amends section 201 of the Agricultural Act of 1949, as amended (63 Stat. 1052; 68 Stat. 899, 912), by including sugar beets and sugarcane in that section. The amendment provides that the price of sugar beets or sugarcane shall be supported at 90 percent of parity. Support is to be provided by means of loans or other operations with respect to sugar derived from the processing of proportionate shares of such sugar crops for the 1956 and subsequent crops. Receipts of producers from byproducts and from Sugar Act conditional payments are to be taken into consideration by the Secretary of Agriculture in establishing rates which will reflect 90 percent of the parity price for sugar beets or sugarcane. Any sugar acquired under this amendment is not subject to the provisions of title II (quotas and prorations) of the Sugar Act nor do the provisions of this section affect in any way the provisions of section 201 and the Secretary's obligation thereunder.

Amendments to the Internal Revenue Code

Section 22 of the bill amends section 4502 (4) of the 1954 Internal Revenue Code. That section of the Internal Revenue Code defines the term "total sugars" similarly to the term "total sugar content" contained in section 101 (i) of the Sugar Act and in addition makes reference to Customs Regulations of 1930, which have since been superseded. The amendment in no way affects the meaning of the term "total sugars" and permits the Treasury Department to use methods that are most appropriate to the determination of total sugars.

Section 23 of the bill amends section 4504 and 6418 (a) of the Internal Revenue Code of 1954. The amendments provide that the import compensating tax on manufactured sugar imported into the United States for use in the distillation of alcohol or for livestock

feed may be refunded. Section 212 of the Sugar Act exempts from quota control any sugar or liquid sugar used for such purposes. However, tax exemption under the Internal Revenue Code has been only partly consistent with the quota exemption. The processing tax (applicable to sugar manufactured in the United States) has been refundable on sugar used for livestock feed or for the distillation of alcohol, but the import compensating tax (applicable to manufactured sugar imported into the United States) has not been refundable on sugar used for the same purpose. The amendment provides that either the processing tax or the import compensating tax, whichever is applicable, may be refunded on sugar used for livestock feed or for the distillation of alcohol.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in roman):

SUGAR ACT OF 1948, AS AMENDED

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this Act, except title V—

(d) **["The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.]"** *The term "raw sugar" means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar.*

(e) **["The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.]"** *The term "direct-consumption sugar" means any sugars principally of crystalline structure and any liquid sugar (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality.*

(i) The term "total sugar contents" means the sum of the sucrose **[(Clerget)]** and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(n) *The term "to be further refined or improved in quality" means to be subjected substantially to the processes of (1) affination or defecation, (2) clarification, and (3) further purification by adsorption or crystallization. The Secretary is authorized, in accordance with findings based on public hearings, to determine whether specific processes to which sugars are subjected are sufficient to meet the requirements of this paragraph (n) and whether sugars of specific qualities are raw sugar within the meaning of paragraph (d) of this section, or direct-consumption sugar within the meaning of paragraph (e) of this section.*

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at

such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during [1947 prior to the termination of price control of sugar] 1947-49 as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas [] : (1) For the calendar year 1956 by apportioning among such areas four million four hundred and forty-four thousand short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	1, 080, 000
Virgin Islands-----	12, 000

(2) For the calendar year 1956, by apportioning among such areas 50 per centum of the amount by which the determination made pursuant to section 201 exceeds eight million three hundred and fifty thousand short tons, raw value, as follows:

(A) The first one hundred and eighty-eight thousand short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 45.2 per centum to the domestic beet area; 42.6 per centum to the mainland cane area; 10.6 per centum to Puerto Rico; and 1.6 per centum to the Virgin Islands; and

(B) Any additional amount shall be apportioned on the basis established in paragraph (a) (1) as adjusted by subparagraph (A) of this paragraph (a) (2).

(3) For the calendar year 1957 and each subsequent calendar year, by apportioning among such areas four million four hundred and forty-four thousand short tons, raw value, in accordance with paragraph (a) (1) of this section, and by adding thereto 50 per centum of the amount by which the determination made pursuant to section 201 exceeds eight million three hundred and fifty thousand short tons, raw value, apportioned as follows: First, by apportioning in accordance with the provisions of paragraph (a) (2) of this section an amount not in excess of the amount so apportioned in 1956, and second, by apportioning the remainder, if any, in accordance with the final quotas established for the calendar year 1956, pursuant to paragraphs (a) (1) and (a) (2) of this section.

(b) For the Republic of the Philippines, in the amount of nine hundred and fifty-two thousand short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) [For] (1) For the calendar year 1956, for foreign countries other than the Republic of the Philippines, by prorating among such countries an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

Country	Per centum
Cuba-----	96
Foreign countries other than Cuba and the Republic of the Philippines-----	4

Ninety-five per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the average amount imported from each such country within the quotas established for the years 1948, 1949, and 1950, except that a separate proration need not be established for any country which entered less than 2 per centum of the average importations within the quotas for such years. The amount of the quota not so prorated may be filled by countries not receiving separate prorations, but no such country shall enter an amount pursuant to this subsection in excess of 1 per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines.

(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating to Cuba 96 per centum and to such other foreign countries 4 per centum of the amount of sugar, raw value, by which eight million three hundred and fifty thousand short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of four million four hundred and forty-four thousand short tons, raw value, and the quota established pursuant to subsection (b) of this section; and by prorating to Cuba 50 per centum and to foreign countries other than Cuba and the Republic of the Philippines 50 per centum of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of eight million three hundred and fifty thousand short tons plus the increase in quotas provided for in subsection (a) (3) of this section: Provided, (i) That for the calendar year 1957 the quota for foreign countries other than Cuba and the Republic of the Philippines shall be one hundred and seventy-five thousand short tons, raw value, and the quota for Cuba shall equal the sum of the quotas for foreign countries other than the Republic of the Philippines less one hundred and seventy-five thousand short tons, raw value; and (ii) that for the calendar year 1958 and each subsequent calendar year through 1960 the quota for foreign countries other than Cuba and the Republic of the Philippines shall be increased forty-five thousand short tons, raw value, annually and the quota for Cuba shall equal the sum of the quotas for foreign countries other than the Republic of the Philippines for such year less the quota for foreign countries other than Cuba and the Republic of the Philippines for such year.

The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated for the calendar year 1957 and for each subsequent calendar year as follows:

(A) Each country whose average annual importations into the United States within the quota were less than one thousand short tons, raw value, during the years 1953 and 1954 shall receive a proration equal to such average importations

(B) Each country whose average annual importations into the United States within the quota were more than one thousand short tons but less than three thousand short tons, raw value, during the years 1953 and 1954 shall receive each year two thousand tons in addition to the basic tonnages prorated under subparagraphs (C) or (D) hereof.

(C) Each country whose average annual importations into the United States within the quota were one thousand short tons but less than two thousand short tons, raw value, during the years 1953 and 1954 shall receive a proration for 1957 equal to its average importations for the calendar years 1953 and 1954 plus 30 per centum thereof and for each calendar year subsequent to 1957 through 1960 the proration for each such country shall be increased by an additional 30 per centum of its proration under this subparagraph (C) for the immediately preceding calendar year.

(D) That part of the quota not otherwise prorated in subparagraphs (A), (B), and (C) above shall be prorated as follows:

Country	Per Centum
Dominican Republic-----	37
Peru-----	36
Mexico-----	20
Nicaragua-----	5
Haiti-----	2

(d) Notwithstanding the other provisions of this title II, the minimum quota established for Cuba, including increases resulting from deficits determined pursuant to section 204 (a), shall not be less than the following:

(1) 28.6 per centum of the amount of sugar determined under section 201 when such amount is seven million four hundred thousand short tons or less; and

(2) two million one hundred and sixteen thousand short tons, when the amount of sugar determined under section 201 is more than seven million four hundred thousand short tons.

The quotas for domestic sugar-producing areas, established pursuant to the other provisions of this title II, shall be reduced pro rata by such amounts as may be required to establish such minimum quota for Cuba.

(e) *Whenever in any year any foreign country with a quota or proration thereof of more than ten thousand short tons fails to fill such quota or proration by more than 10 per centum and at any time during such year the world price of sugar exceeds the domestic price, the quota or proration thereof for such country for subsequent years shall be reduced by an amount equal to the amount by which such country failed to fill its quota or proration thereof, unless the Secretary finds that such failure was due to crop disaster or force majeure or finds that such reduction would be contrary to the objectives of this Act. Any reduction hereunder shall be prorated in the same manner as deficits are prorated under section 204.*

(f) *No country shall have its quota or proration thereof increased above its quota or proration thereof for the calendar year 1956 unless, on or before January 1, 1957, such country becomes a party to and bound by the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the United States Senate on April 29, 1954).*

(g) *Notwithstanding any other provisions of law except paragraph (d) hercof, if the Secretary determines that any country for which a sugar quota or proration thereof is established herein causes a substantial reduction in the importation of any agricultural commodity from the United States below the quantity imported during a representative period of years, in raw or manufactured form, through import quotas, import taxes, exchange restrictions, or other trade restrictive measures, the sugar quota or proration thereof for such country shall be suspended during each year when such restrictive measures are at any time in effect and the portion of such quota or proration thereof so suspended shall be prorated in the same manner as deficits are prorated under section 204.*

* * * * *

SEC. 204. (a) The Secretary shall from time to time determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect: *Provided, That any deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under the provisions of section 202 (a) (2) or the increases allotted under section 202 (a) (3) shall first be prorated to other domestic areas on the basis of the quotas then in effect.* If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

To Cuba, 96 per centum; and

To foreign countries other than Cuba and the Republic of the Philippines, 4 per centum.

If the Secretary finds that foreign countries other than Cuba and the Republic of the Philippines cannot fill the quota for such area, he shall increase the quota for Cuba by an amount equal to the deficit.

Whenever the Secretary finds that any area will be unable to fill its proration of any such deficit, he may apportion such unfilled amount on such basis and to such areas as he determines is required to fill such deficit; *except that in the case of proration of any such deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under and by reason of section 202 (a) (2) or the increases allotted under section 202 (a) (3), the Secretary shall apportion the unfilled amount on such basis and to such other domestic areas as he determines is required to fill such deficit, and if he finds that no domestic area will be able to supply such unfilled amount, he shall add it to the quota for Cuba.*

* * * * *

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such

hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. *In making such allotments, the Secretary may also take into consideration and make due allowance for the adverse effect of drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions seriously and broadly affecting any general area served by the factory or factories of such person.* The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

* * * * *

SEC. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year, *plus an amount equal to the same percentage of twenty-nine thousand six hundred and sixteen short tons, raw value, that the increase in the quota for Hawaii under section 202 is of one million fifty-two thousand short tons, raw value* may be filled by direct-consumption sugar.

(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar **[.]** *which shall be principally of crystalline structure, plus an amount equal to the same percentage of one hundred twenty-six thousand and thirty-three short tons, raw value, that the increase in the quota for Puerto Rico under section 202 is of one million eighty thousand short tons, raw value, which latter amount may be filled by direct-consumption sugar whether or not principally of crystalline structure.*

* * * * *

(h) **[The]** (1) *For the calendar year 1956, the quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar only to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: Provided, That each such country shall be permitted to enter an amount of direct-consumption sugar not less than the average amount entered by it during the years 1948, 1949, and 1950.*

(2) *For the calendar year 1957 and each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202; Provided, That such limitation shall not apply to countries receiving prorations under Section 202 (c) of 7,000 short tons or less. The direct-consumption portion of such quota which is subject to the 1.36 per centum limitation referred to above shall be prorated to countries which receive prorations under section 202 (c) of more than 7,000 short tons on the basis of average imports of direct-consumption sugar with the quota for the years 1951, 1952, 1953, and 1954.*

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

* * * * *

(b) That there shall not have been marketed (or processed), *except for livestock feed, or for the production of livestock feed, as determined by the Secretary*, an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the

farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

SEC. 302. * * *

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) *within the proportionate share for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers [.] and of the producers in any local producing area whose past production has been adversely, seriously and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions.* For the purposes of establishing proportionate shares hereunder and in order to encourage wise use of land resources, foster greater diversification of agricultural production, and promote the conservation of soil and water resources in Puerto Rico, the Secretary, on application of any owner of a farm in Puerto Rico, is hereby authorized, whenever he determines it to be in the public interest and to facilitate the sale or rental of land for other productive purposes, to transfer the sugarcane production record for any parcel or parcels of land in Puerto Rico owned by the applicant to any other parcel or parcels of land owned by such applicant in Puerto Rico.

TITLE IV—GENERAL PROVISIONS

SEC. 405. (a) Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

(b) Any person whose sugar processing operations otherwise meet the requirements of section 101 (n) and who subjects to such processes sugar imported or brought into the continental United States under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality and to be in excess of the direct-consumption portion of the applicable quota or proration or allotment thereof, shall forfeit to the United States a sum equal to one cent per pound for each pound, raw value, of such sugar in excess of the direct-consumption portion of the applicable quota or proration or allotment thereof, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 407. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than two years, or both. The provisions of this section shall not apply to persons whose services are obtained pursuant to section 305.

SEC. 411. The Secretary is authorized to issue such regulations as may be necessary to carry out article 7 of the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the United States Senate on April 29, 1954), restricting importations of sugar into the United States from foreign countries not participating in such agreement, or to carry out the corresponding provisions of any such future agreements ratified by and with the advice and consent of the United States Senate.

[SEC. 411.] SEC. 412. The powers vested in the Secretary under this Act shall terminate on December 31, **[1956] 1960**, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year **[1956] 1960** and previous crop years.

[SEC. 412.] SEC. 413. The provisions of this Act, except where an earlier effective date is provided for herein, shall become effective January 1, 1948. As provided in section 513 of the Sugar Act of 1937, the powers vested in the Secretary under that Act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that Act under programs thereunder applicable to the crop year 1947 and previous crop years.

SEC. 414. (a) *To alleviate the conditions which exist in the continental United States sugar-producing areas by reason of the quantities of surplus over-quota sugar produced in such areas, the Commodity Credit Corporation shall carry out loans, purchases or other operations with respect to one hundred thousand short tons of sugar produced from the 1955 or previous crops in such areas.*

(b) *Sugar acquired hereunder shall be disposed of outside the continental United States in such manner as the Corporation determines will not unduly interfere with normal marketings of sugar, including dispositions under the Agricultural Trade Development and Assistance Act of 1954, as amended.*

(c) *No borrower shall be personally liable for any deficiency arising from the sale of the sugar securing any loan made under authority of this section, unless such loan was obtained through fraudulent representations by the borrower. This provision shall not, however, be construed to prevent Commodity Credit Corporation from requiring the borrower to assume liability for deficiencies in the quality or quantity of sugar delivered under the loan, for failure to properly care for and preserve such sugar, or for failure or refusal to deliver the sugar in accordance with the requirements of the program.*

(d) *Sugar acquired hereunder shall not be subject to the provisions of title II of this Act.*

AMENDMENTS TO AGRICULTURAL ACT OF 1949

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for tung nuts, honey, milk, butterfat, *sugar beets and sugarcane*, and the products of milk and butterfat as follows:

(a) *Note—Repealed by Agricultural Act of 1954.*

(b) * * *

(c) * * *

(d) *The price of sugar beets and sugarcane, respectively, shall be supported at a level of 90 per centum of the parity price therefor through loans, purchases or other operations with respect to sugar derived from the processing of proportionate shares of sugar beets or sugarcane of the 1956 and subsequent crops produced in the domestic sugar producing areas of the United States. Loans, purchases, or other operations with respect to such sugar shall be at such rates or prices as the Secretary determines, after taking into account receipts of producers from byproducts and conditional payments, will reflect the equivalent of 90 per centum of the parity price either for sugar beets or sugarcane. Sugar acquired hereunder shall not be subject to the provisions of title II of the Sugar Act of 1948, as amended.*

AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 4501

* * * * *

(c) **TERMINATION OF TAX.**—No tax shall be imposed under this subchapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, **[1957] 1961**. Notwithstanding the provisions of subsection (a) or (b), no tax shall be imposed under this subchapter with respect to unsold sugar held by a manufacturer on June 30, **[1957] 1961**, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date. With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under subsection (b) has been paid and which, on June 30, **[1957] 1961** are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer,

subject to such regulations as may be prescribed by the Secretary or his delegate, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.

SEC. 4502

* * * * *

(4) TOTAL SUGARS.—The term “total sugars” means the total amount of the sucrose [(Clerget)] and of the reducing or invert sugars. [The total sugars contained in any grade or type of manufactured sugar shall be ascertained in the manner prescribed in paragraphs 758, 759, 762, and 763 of the United States Customs Regulations (1931 edition).]

* * * * *

SEC. 4504. IMPORT TAX IMPOSED AS TARIFF DUTY.

The tax imposed by section 4501 (b) shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930 and shall be treated for the purposes of all provisions of law relating to the customs revenue as a duty imposed by such Act, except that for the purposes of sections 336 and 350 of such Act such tax shall not be considered a duty or import restriction, and except that no preference with respect to such tax shall be accorded any articles imported or brought into the United States *and except that such tax may be subject to refunds as a tax under the provisions of section 6418 (a).*

SEC. 6412. FLOOR STOCKS REFUNDS.

* * * * *

(d) SUGAR.—With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 4501 (b) has been paid and which, on June 30, [1957] 1961, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Secretary or his delegate, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.

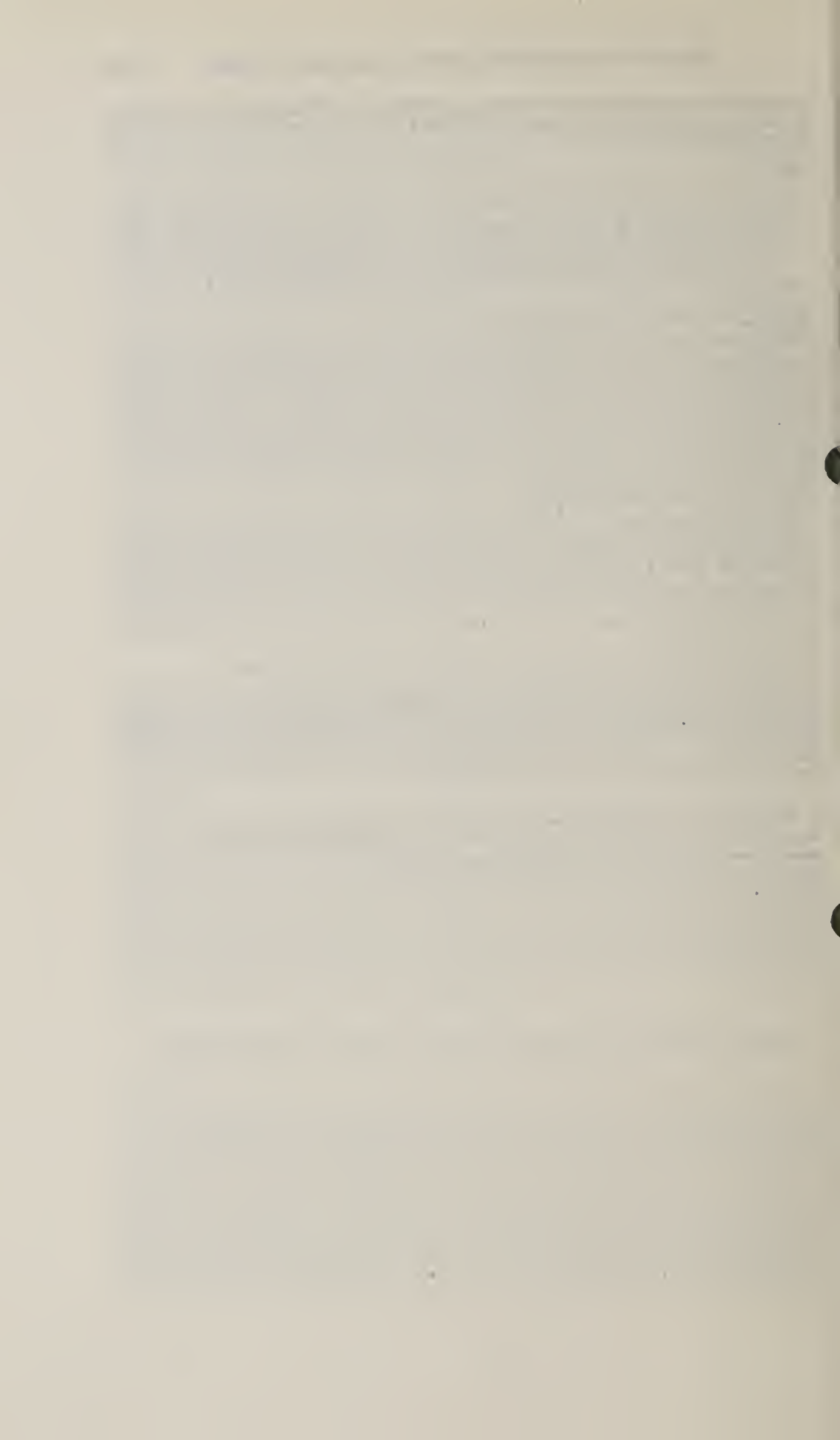
SEC. 6418 SUGAR.

(a) USE AS LIVESTOCK FEED OR FOR DISTILLATION OF ALCOHOL.—Upon the use of any manufactured sugar, or article manufactured therefrom, as livestock feed, or in the production of livestock feed, or for the distillation of alcohol, there shall be paid by the Secretary or his delegate to the person so using such manufactured sugar, or article manufactured therefrom, the amount of any tax paid under section 4501 [(a)] with respect thereto.

* * * * *

Note.—The amendments made hereby shall become effective January 1, 1956, except as otherwise designated and except that required determinations and regulations may be issued in 1955 for the calendar year 1956.





84TH CONGRESS
1ST SESSION

H. R. 7030

[Report No. 1348]

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1955

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

JULY 22, 1955

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend and extend the Sugar Act of 1948, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 101 (d) of the Sugar Act of 1948, as amended,
4 is amended to read as follows:

5 “(d) The term ‘raw sugar’ means (1) any sugars prin-
6 cipally of crystalline structure which are to be further refined
7 or improved in quality and which test not more than
8 sugar degrees by the polariscope; and (2) any sugars
9 (exclusive of liquid sugar from foreign countries having
10 liquid sugar quotas) principally not of crystalline structure

1 which are to be further refined or improved in quality and
 2 which have a total sugar content of not more than
 3 per centum of the total soluble solids content (excluding any
 4 foreign substances that may have been added or developed
 5 in the product).”

6 SEC. 2. Section 101 (e) of such Act is amended to read
 7 as follows:

8 “(e) The term ‘direct-consumption sugar’ means (1)
 9 any sugars principally of crystalline structure which test
 10 more than sugar degrees by the polariscope and any
 11 sugars (exclusive of liquid sugar from foreign countries hav-
 12 ing liquid sugar quotas) principally not of crystalline struc-
 13 ture which have a total sugar content of more than “—” per
 14 centum of the total soluble solids content (excluding any
 15 foreign substances that may have been added or developed in
 16 the product), or (2) any sugars which are principally of
 17 crystalline structure and any liquid sugar (exclusive of liquid
 18 sugar from foreign countries having liquid sugar quotas),
 19 which are not to be further refined or improved in quality.”

20 SEC. 3. Section 101 (i) of such Act is amended by
 21 deleting the parenthetical word “(Clerget).”

22 SEC. 4. Section 101 of such Act is amended by adding
 23 at the end thereof a new paragraph to read as follows:

24 “(n) The term ‘to be further refined or improved in
 25 quality’ means to be subjected substantially to the processes

1 of ~~(1)~~ affination or defecation; ~~(2)~~ clarification; and ~~(3)~~
2 further purification by adsorption or crystallization. The
3 Secretary is authorized to determine whether the processes
4 to which sugars are subjected are sufficient to meet the re-
5 quirements of this paragraph."

6 SEC. 5. Section 202 ~~(a)~~ of such Act is amended by
7 inserting "~~(1)~~ for the calendar year 1956" after the first
8 comma and by adding the following new paragraphs:

9 "~~(2)~~ for the calendar year 1956 by apportioning
10 among such areas 55 per centum of the amount by which
11 the determination made pursuant to section 201 exceeds
12 eight million three hundred and fifty thousand short
13 tons, raw value, as follows: ~~(A)~~ the first one hundred
14 and sixty-five thousand short tons, raw value, or any
15 part thereof, by which quotas for the domestic areas are
16 so increased shall be apportioned 51.5 per centum to the
17 domestic beet sugar area and 48.5 per centum to the
18 mainland cane sugar area; ~~(B)~~ the next twenty thousand
19 short tons, raw value, or any part thereof, by which such
20 quotas are so increased shall be apportioned to Puerto
21 Rico; ~~(C)~~ the next three thousand short tons, raw value,
22 or any part thereof, by which such quotas are so in-
23 creased shall be apportioned to the Virgin Islands; and
24 ~~(D)~~ any additional amount shall be apportioned on the
25 basis of the quotas established in paragraph ~~(1)~~ as ad-

1 justed by subparagraphs ~~(A)~~, ~~(B)~~, and ~~(C)~~ of this
2 paragraph ~~(2)~~.

3 ~~“(3)~~ for the calendar year 1957 and each subse-
4 quent calendar year, by apportioning among such areas
5 four million four hundred and forty-four thousand short
6 tons, raw value, in accordance with paragraph ~~(1)~~ of
7 this section, and by adding thereto 55 per centum of the
8 amount by which the determination made pursuant to
9 section 201 exceeds eight million three hundred and fifty
10 thousand short tons, raw value, apportioned as follows:
11 First, by apportioning in accordance with the provisions
12 of paragraph ~~(a)~~ ~~(2)~~ of this section an amount not in
13 excess of the amount so apportioned in 1956, and second,
14 by apportioning the remainder, if any, in accordance
15 with the final quotas established for the calendar year
16 1956 pursuant to paragraphs ~~(1)~~ and ~~(2)~~ of this sec-
17 tion.”

18 SEC. 6. Section 202 ~~(c)~~ of such Act is amended by
19 striking out “The” after “~~(c)~~” and inserting in lieu thereof
20 “~~(1)~~ For the calendar year 1956, the” and by adding at the
21 end thereof the following new paragraphs:

22 ~~“(2)~~ For the calendar year 1957 and for each subse-
23 quent calendar year for foreign countries other than the
24 Republic of the Philippines, by prorating to Cuba 96 per
25 centum and to foreign countries other than Cuba and the

1 Republic of the Philippines 4 per centum of the amount of
2 sugar, raw value, by which eight million three hundred and
3 fifty thousand tons or such lesser amount as determined pur-
4 suant to section 201 exceeds the sum of the quotas established
5 pursuant to subsections (a) and (b) of this section; and by
6 prorating to Cuba 60 per centum and to foreign countries
7 other than Cuba and the Republic of the Philippines 40 per
8 centum of the amount of sugar, raw value, by which the
9 amount determined pursuant to section 201 exceeds eight
10 million three hundred and fifty thousand tons less the increase
11 in quotas provided for in subsection (a) (3) of this section.

12 "For the calendar year 1957 and for each subsequent
13 calendar year, the quota for foreign countries other than
14 Cuba and the Republic of the Philippines shall be appor-
15 tioned, first, by assigning to each foreign country other than
16 Cuba and the Republic of the Philippines whose average
17 entries during the years 1953 and 1954 were less than 1,000
18 tons, a quota equal to its average entries during 1953 and
19 1954, and second, by prorating to each foreign country other
20 than Cuba and the Republic of the Philippines whose average
21 entries in 1953 and 1954 exceeded 1,000 tons the remainder
22 of the quota on the basis of the average amount imported
23 from each such country within the quotas established for the
24 years 1951, 1952, 1953, and 1954, or 3,000 tons, whichever
25 is the larger.

1 SEC. 7. ~~(a)~~ The second sentence of section 204 ~~(a)~~
 2 of such Act is amended by inserting before the period at
 3 the end thereof a colon and the following: "*Provided, That*
 4 any deficit in any domestic sugar-producing area occurring
 5 by reason of inability to market that part of the quota for
 6 such area allotted under the provisions of section 202 ~~(a)~~
 7 ~~(2)~~ or the increases allotted under section 202 ~~(a)~~ ~~(3)~~ shall
 8 first be prorated to other domestic areas on the basis of the
 9 quotas then in effect."

10 ~~(b)~~ The last paragraph of such section is amended by
 11 inserting before the period at the end thereof a semicolon
 12 and the following: "except that in the case of proration of
 13 any such deficit in any domestic sugar-producing area occur-
 14 ring by reason of inability to market that part of the quota
 15 for such area allotted under and by reason of section 202 ~~(a)~~
 16 ~~(2)~~ or the increases allotted under section 202 ~~(a)~~ ~~(3)~~, the
 17 Secretary shall apportion the unfilled amount on such basis
 18 and to such other domestic areas as he determines is required
 19 to fill such deficit, and if he finds that no domestic area will
 20 be able to supply such unfilled amount, he shall add it to the
 21 quota for Cuba."

22 SEC. 8. ~~(a)~~ Section 207 ~~(a)~~ of such Act is amended
 23 by adding after the word "year" the following: ", plus an
 24 amount equal to the same percentage of twenty-nine thou-
 25 sand six hundred and sixteen short tons, raw value, that the

1 increase in the quota for Hawaii under section 202 is of one
2 million fifty-two thousand short tons, raw value”.

3 ~~(b)~~ Section 207 ~~(b)~~ of such Act is amended by adding
4 after the word “year” the following: “, plus an amount equal
5 to the same percentage of one hundred twenty-six thousand
6 and thirty-three short tons, raw value, that the increase in
7 the quota for Puerto Rico under section 202 is of one million
8 eighty thousand short tons, raw value”.

9 SEC. 9. Section 207 ~~(h)~~ of such Act is amended by
10 striking out “The” after “~~(h)~~” and inserting in lieu thereof
11 “~~(1)~~ For the calendar year 1956, the” and by adding the
12 following new paragraph:

13 “~~(2)~~ For the calendar year 1957 and each subsequent
14 calendar year, the quota for foreign countries other than
15 Cuba and the Republic of the Philippines may be filled by
16 direct-consumption sugar only to the extent of 1.36 per
17 centum of the amount of sugar determined pursuant to sec-
18 tion 201 less the sum of the quotas established in subsections
19 ~~(a)~~ and ~~(b)~~ of section 202. The direct-consumption per-
20 tion of such quota shall be prorated to countries which re-
21 ceive prorations under section 202 ~~(c)~~ to the extent of
22 the prorations established therein on the basis of average
23 imports of direct-consumption sugar within the quota for
24 the years 1951, 1952, 1953, and 1954: *Provided*, That such
25 prorations shall be adjusted so that no country shall re-

1 receive an amount less than 3.0 per centum of the quota for
2 foreign countries other than Cuba or the Republic of the
3 Philippines or the proration received pursuant to section
4 202 (c), whichever is smaller.”

5 SEC. 10. Section 407 of such Act is amended by adding
6 at the end thereof the following sentence: “The provisions
7 of this section shall not apply to persons whose services are
8 obtained pursuant to section 305.”

9 SEC. 11. Section 411 of such Act is renumbered as sec-
10 tion 412; section 412 of such Act is renumbered as section
11 413 and a new section 411 inserted as follows:

12 “SEC. 411. The Secretary is authorized to issue such
13 regulations as may be necessary to carry out article 7 of the
14 International Sugar Agreement for the Regulation of the
15 Production and Marketing of Sugar (ratified by and with
16 the advice and consent of the United States Senate on April
17 29, 1954), restricting importations of sugar into the United
18 States from foreign countries not participating in such agree-
19 ment, or to carry out the corresponding provisions of any
20 such future agreements ratified by and with the advice and
21 consent of the United States Senate.”

22 SEC. 12. Renumbered section 412 of such Act (relating
23 to termination of the powers of the Secretary under the Act)
24 is amended by striking out “1956” in each place it appears
25 therein and inserting in lieu thereof “1962”.

1 SEC. 13. Sections 4501 (c) and 6412 (d) (relating to
2 the termination of taxes on sugar) of the Internal Revenue
3 Code of 1954 are amended by striking out "1957" in each
4 place it appears therein and inserting in lieu thereof "1963".

5 SEC. 14. Section 4502 (4), chapter 4, subchapter A,
6 "Sugar", of the Internal Revenue Code of 1954 is amended
7 as follows: Strike out the parenthetical word "(Clerget)"
8 where it occurs in the first sentence and delete the second
9 sentence thereof.

10 SEC. 15. (a) Section 4504, chapter 37, subchapter A,
11 "Sugar", of the Internal Revenue Code of 1954 is amended
12 by adding before the period at the end thereof the following:
13 "and except that such tax may be subject to refunds as a tax
14 under the provisions of section 6418 (a)".

15 (b) Section 6418 (a) of chapter 65 of the Internal
16 Revenue Code of 1954 is amended by striking out the "(a)"
17 immediately following "section 4501".

18 SEC. 16. The amendments made hereby shall become
19 effective January 1, 1956, except that sections 1 through 9
20 and section 11 hereof shall be effective for purposes of the
21 determinations and regulations required for the calendar year
22 That section 101 (d) of the Sugar Act of 1948, as amended,
23 is amended to read as follows:

24 “(d) The term ‘raw sugar’ means any sugars (exclusive

1 of liquid sugar from foreign countries having liquid sugar
2 quotas), whether or not principally of crystalline structure,
3 which are to be further refined or improved in quality to pro-
4 duce any sugars principally of crystalline structure or liquid
5 sugar.”

6 SEC. 2. Section 101 (e) of such Act is amended to read
7 as follows:

8 “(e) The term ‘direct-consumption sugar’ means any
9 sugars principally of crystalline structure and any liquid
10 sugar (exclusive of liquid sugar from foreign countries
11 having liquid sugar quotas), which are not to be further
12 refined or improved in quality.”

13 SEC. 3. Section 101 (i) of such Act is amended by
14 deleting the parenthetical word “(Clerget)”.

15 SEC. 4. Section 101 of such Act is amended by adding
16 at the end thereof a new paragraph to read as follows:

17 “(n) The term ‘to be further refined or improved in
18 quality’ means to be subjected substantially to the processes
19 of (1) affination or defecation, (2) clarification, and (3)
20 further purification by adsorption or crystallization. The
21 Secretary is authorized, in accordance with findings based on
22 public hearings to determine whether specific processes to
23 which sugars are subjected are sufficient to meet the require-
24 ments of this paragraph (n) and whether sugars of specific
25 qualities are raw sugar within the meaning of paragraph

1 (d) of this section, or direct-consumption sugar within the
2 meaning of paragraph (c) of this section.”

3 SEC. 5. Section 201 of such Act is amended by striking
4 in the second sentence thereof the words “1947 prior to the
5 termination of price control of sugar” and inserting in lieu
6 thereof “1947-1949”.

7 SEC. 6. Section 202 (a) of such Act is amended by
8 inserting a colon and “(1) For the calendar year 1956” in
9 lieu of the first comma and by adding the following new
10 paragraphs:

11 “(2) For the calendar year 1956, by apportioning
12 among such areas 50 per centum of the amount by which
13 the determination made pursuant to section 201 exceeds
14 eight million three hundred and fifty thousand short tons,
15 raw value, as follows:

16 “(A) The first one hundred and eighty-eight thousand
17 short tons, raw value, or any part thereof, by which quotas
18 for the domestic areas are so increased shall be apportioned
19 45.2 per centum to the domestic beet area; 42.6 per centum
20 to the mainland cane area; 10.6 per centum to Puerto Rico;
21 and 1.6 per centum to the Virgin Islands; and

22 “(B) Any additional amount shall be apportioned on
23 the basis established in paragraph (a) (1) as adjusted by
24 subparagraph (A) of this paragraph (a) (2).

25 “(3) For the calendar year 1957 and each subsequent

1 calendar year, by apportioning among such areas four mil-
2 lion four hundred and forty-four thousand short tons, raw
3 value, in accordance with paragraph (a) (1) of this section,
4 and by adding thereto 50 per centum of the amount by which
5 the determination made pursuant to section 201 exceeds
6 eight million three hundred and fifty thousand short tons,
7 raw value, apportioned as follows: First, by apportioning
8 in accordance with the provisions of paragraph (a) (2) of
9 this section an amount not in excess of the amount so appor-
10 tioned in 1956, and second, by apportioning the remainder,
11 if any, in accordance with the final quotas established for
12 the calendar year 1956, pursuant to paragraphs (a) (1)
13 and (a) (2) of this section.”

14 SEC. 7. Section 202 (c) of such Act is amended by strik-
15 ing out ”For” after “(c)” and inserting in lieu thereof “(1)
16 For the calendar year 1956, for” and by adding at the end
17 thereof the following new paragraphs:

18 “(2) For the calendar year 1957 and for each sub-
19 sequent calendar year for foreign countries other than the
20 Republic of the Philippines, by prorating to Cuba 96 per
21 centum and to such other foreign countries 4 per centum
22 of the amount of sugar, raw value, by which eight million
23 three hundred and fifty thousand short tons or such lesser
24 amount as determined pursuant to section 201 exceeds the
25 sum of four million four hundred and forty-four thousand

1 short tons, raw value, and the quota established pursuant
2 to subsection (b) of this section; and by prorating to Cuba
3 50 per centum and to foreign countries other than Cuba
4 and the Republic of the Philippines 50 per centum of the
5 amount of sugar, raw value, by which the amount deter-
6 mined pursuant to section 201 exceeds the sum of eight
7 million three hundred and fifty thousand short tons plus the
8 increase in quotas provided for in subsection (a) (3) of
9 this section: Provided, (i) that for 1957 the quota for for-
10 eign countries other than Cuba and the Republic of the
11 Philippines shall be one hundred and seventy-five thousand
12 short tons, raw value, and the quota for Cuba shall equal
13 the sum of the quotas for foreign countries other than the
14 Republic of the Philippines less one hundred and seventy-
15 five thousand short tons, raw value; and (ii) that for the
16 calendar year 1958 and each subsequent calendar year
17 through 1960 the quota for foreign countries other than Cuba
18 and the Republic of the Philippines shall be increased forty-
19 five thousand short tons, raw value, annually and the quota
20 for Cuba shall equal the sum of the quotas for foreign coun-
21 tries other than the Republic of the Philippines for such year
22 less the quota for foreign countries other than Cuba and
23 the Republic of the Philippines for such year. The quota
24 for foreign countries other than Cuba and the Republic of

1 *the Philippines shall be prorated for the calendar year 1957*
2 *and for each subsequent calendar year as follows:*

3 “(A) *Each country whose average annual importations*
4 *into the United States within the quota were less than one*
5 *thousand short tons, raw value, during the years 1953 and*
6 *1954 shall receive a proration equal to such average*
7 *importations.*

8 “(B) *Each country whose average annual importations*
9 *into the United States within the quota were more than one*
10 *thousand short tons but less than three thousand short tons,*
11 *raw value, during the years 1953 and 1954 shall receive each*
12 *year two thousand tons in addition to the basic tonnages pro-*
13 *rated under subparagraphs (C) or (D) hereof.*

14 “(C) *Each country whose average annual importations*
15 *into the United States within the quota were one thousand*
16 *short tons but less than two thousand short tons, raw value,*
17 *during the years 1953 and 1954 shall receive a proration*
18 *for 1957 equal to its average importations for the calendar*
19 *years 1953 and 1954 plus 30 per centum thereof and for*
20 *each calendar year subsequent to 1957 through 1960 the pro-*
21 *ration for each such country shall be increased by an addi-*
22 *tional 30 per centum of its proration under this subpara-*
23 *graph (C) for the immediately preceding calendar year.*

24 “(D) *That part of the quota not otherwise prorated in*

1 subparagraphs (A), (B), and (C) above shall be prorated
 2 as follows:

<i>"Country</i>	<i>Per centum</i>
<i>Dominican Republic</i> -----	<i>37</i>
<i>Peru</i> -----	<i>36</i>
<i>Mexico</i> -----	<i>20</i>
<i>Nicaragua</i> -----	<i>5</i>
<i>Haiti</i> -----	<i>2".</i>

3 *SEC. 8. Section 202 of such Act is amended by adding*
 4 *the following new paragraphs:*

5 *"(e) Whenever in any year any foreign country with*
 6 *a quota or proration thereof of more than ten thousand short*
 7 *tons fails to fill such quota or proration by more than 10*
 8 *per centum and at any time during such year the world*
 9 *price of sugar exceeds the domestic price, the quota or pro-*
 10 *ration thereof for such country for subsequent years shall be*
 11 *reduced by an amount equal to the amount by which such*
 12 *country failed to fill its quota or proration thereof, unless*
 13 *the Secretary finds that such failure was due to crop disaster*
 14 *or force majeure or finds that such reduction would be con-*
 15 *trary to the objectives of this Act. Any reduction hereunder*
 16 *shall be prorated in the same manner as deficits are prorated*
 17 *under section 204.*

18 *"(f) No country shall have its quota or proration there-*
 19 *of increased above its quota or proration thereof for the*
 20 *calendar year 1956 unless, on or before January 1, 1957,*
 21 *such country becomes a party to and bound by the Inter-*

1 *national Sugar Agreement for the Regulation of the Pro-*
2 *duction and Marketing of Sugar (ratified by and with the*
3 *advice and consent of the United States Senate on April 29,*
4 *1954).*

5 “(g) Notwithstanding any other provision of law except
6 paragraph (d) hereof, if the Secretary determines that any
7 country for which a sugar quota or proration thereof is
8 established herein causes a substantial reduction in the im-
9 portation of any agricultural commodity from the United
10 States below the quantity imported during a representative
11 period of years, in raw or manufactured form, through
12 import quotas, import taxes, exchange restrictions, or other
13 trade restrictive measures, the sugar quota or proration
14 thereof for such country shall be suspended during each
15 year when such restrictive measures are at any time in
16 effect and the portion of such quota or proration thereof so
17 suspended shall be prorated in the same manner as deficits
18 are prorated under section 204.”

19 SEC. 9. (a) The second sentence of section 204 (a)
20 of such Act is amended by inserting before the period at the
21 end thereof a colon and the following: “Provided, That any
22 deficit in any domestic sugar-producing area occurring by
23 reason of inability to market that part of the quota for such
24 area allotted under the provisions of section 202 (a) (2) or
25 the increases allotted under sections 202 (a) (3) shall first be

1 *prorated to other domestic areas on the basis of the quotas*
2 *then in effect”.*

3 *(b) The last paragraph of section 204 (a) of such Act*
4 *is amended by inserting before the period at the end thereof*
5 *a semicolon and the following: “except that in the case of*
6 *proration of any such deficit in any domestic sugar-producing*
7 *area occurring by reason of inability to market that part of*
8 *the quota for such area allotted under and by reason of*
9 *section 202 (a) (2) or the increases allotted under section*
10 *202 (a) (3), the Secretary shall apportion the unfilled*
11 *amount on such basis and to such other domestic areas as he*
12 *determines is required to fill such deficit, and if he finds that*
13 *no domestic area will be able to supply such unfilled amount,*
14 *he shall add it to the quota for Cuba”.*

15 *SEC. 10. Section 205 (a) of such Act is amended by*
16 *inserting immediately before the final sentence thereof the*
17 *following: “In making such allotments, the Secretary may*
18 *also take into consideration and make due allowance for the*
19 *adverse effect of drought, storm, flood, freeze, disease, in-*
20 *sects, or other similar abnormal and uncontrollable conditions*
21 *seriously and broadly affecting any general area served by*
22 *the factory or factories of such person.”.*

23 *SEC. 11. (a) Section 207 (a) of such Act is amended*
24 *by adding after the word “year” the following: “, plus an*
25 *amount equal to the same percentage of twenty-nine thousand*

1 *six hundred and sixteen short tons, raw value, that the in-*
2 *crease in the quota for Hawaii under section 202 is of one*
3 *million fifty-two thousand short tons, raw value”.*

4 *(b) Section 207 (b) of such Act is amended by striking*
5 *the period at the end thereof and by adding the following:*
6 *“which shall be principally of crystalline structure, plus an*
7 *amount equal to the same percentage of one hundred twenty-*
8 *six thousand and thirty-three short tons, raw value, that*
9 *the increase in the quota for Puerto Rico under section 202*
10 *is of one million eighty thousand short tons, raw value, which*
11 *latter amount may be filled by direct-consumption sugar*
12 *whether or not principally of crystalline structure.”.*

13 *SEC. 12. Section 207 (h) of such Act is amended by*
14 *striking out “The” after “(h)” and inserting in lieu thereof*
15 *“(1) For the calendar year 1956, the” and by adding the*
16 *following new paragraph:*

17 *“(2) For the calendar year 1957 and each subsequent*
18 *calendar year, the quota for foreign countries other than*
19 *Cuba and the Republic of the Philippines may be filled by*
20 *direct-consumption sugar to the extent of 1.36 per centum of*
21 *the amount of sugar determined pursuant to section 201 less*
22 *the sum of the quotas established in subsections (a) and (b)*
23 *of section 202: Provided, That such limitation shall not apply*
24 *to countries receiving prorations under section 202 (c) of*
25 *seven thousand short tons or less. The direct-consumption*

1 portion of such quota which is subject to the 1.36 per
2 centum limitation referred to above shall be prorated to
3 countries which receive prorations under section 202 (c)
4 of more than seven thousand short tons on the basis of average
5 imports of direct-consumption sugar within the quota for the
6 years 1951, 1952, 1953, and 1954.”

7 SEC. 13. Section 301 (b) of such Act is amended by
8 inserting after the words “(or processed)” the following:
9 “, except for livestock feed, or for the production of livestock
10 feed, as determined by the Secretary,”.

11 SEC. 14. Section 302 (b) of such Act is amended by
12 inserting after “(or processed)” the words “within the pro-
13 portionate share” and by striking the period at the end thereof
14 and inserting the following: “and of the producers in any
15 local producing area whose past production has been ad-
16 versely, seriously, and generally affected by drought, storm,
17 flood, freeze, disease, insects, or other similar abnormal and
18 uncontrollable conditions. For the purposes of establishing
19 proportionate shares hereunder and in order to encourage
20 wise use of land resources, foster greater diversification of
21 agricultural production, and promote the conservation of
22 soil and water resources in Puerto Rico, the Secretary, on
23 application of any owner of a farm in Puerto Rico, is hereby
24 authorized, whenever he determines it to be in the public
25 interest and to facilitate the sale or rental of land for other

1 productive purposes, to transfer the sugarcane production
2 record for any parcel or parcels of land in Puerto Rico
3 owned by the applicant to any other parcel or parcels of land
4 owned by such applicant in Puerto Rico.”.

5 SEC. 15. Section 405 of such Act is amended by in-
6 serting “(a)” at the beginning thereof and by adding the
7 following new paragraph:

8 “(b) Any person whose sugar processing operations
9 otherwise meet the requirements of section 101 (n) and who
10 subjects to such processes sugar imported or brought into the
11 continental United States under a declaration that it is
12 raw sugar but which sugar subsequently is determined to
13 be of direct-consumption quality and to be in excess of the
14 direct-consumption portion of the applicable quota or pro-
15 ration or allotment thereof, shall forfeit to the United States
16 a sum equal to 1 cent per pound for each pound, raw value,
17 of such sugar in excess of the direct-consumption portion of
18 the applicable quota or proration or allotment thereof, which
19 forfeiture shall be recoverable in a civil suit brought in the
20 name of the United States.”

21 SEC. 16. Section 407 of such Act is amended by adding
22 at the end thereof the following sentence: “The provisions
23 of this section shall not apply to persons whose services are
24 obtained pursuant to section 305.”.

25 SEC. 17. Section 411 of such Act is renumbered as

1 section 412, section 412 of such Act is renumbered as sec-
2 tion 413 and a new section 411 inserted as follows:

3 “SEC. 411. The Secretary is authorized to issue such
4 regulations as may be necessary to carry out article 7 of
5 the International Sugar Agreement for the Regulation of
6 the Production and Marketing of Sugar (ratified by and
7 with the advice and consent of the United States Senate on
8 April 29, 1954), restricting importations of sugar into the
9 United States from foreign countries not participating in
10 such agreement, or to carry out the corresponding provisions
11 of any such future agreements ratified by and with the
12 advice and consent of the United States Senate.”

13 SEC. 18. Renumbered section 412 of such Act (relating
14 to termination of the powers of the Secretary under the Act)
15 is amended by striking out “1956” in each place it appears
16 therein and inserting in lieu thereof “1960”.

17 SEC. 19. A new section 414 is added to such Act as
18 follows:

19 “SEC. 414. (a) To alleviate the conditions which exist
20 in the continental United States sugar-producing areas by
21 reason of the quantities of surplus overquota sugar produced
22 in such areas, the Commodity Credit Corporation shall carry
23 out loans, purchases, or other operations with respect to
24 one hundred thousand short tons of sugar produced from the
25 1955 or previous crops in such areas.

1 “(b) Sugar acquired hereunder shall be disposed of out-
2 side the continental United States in such manner as the Cor-
3 poration determines will not unduly interfere with normal
4 marketings of sugar, including dispositions under the Agri-
5 cultural Trade Development and Assistance Act of 1954,
6 as amended.

7 “(c) No borrower shall be personally liable for any
8 deficiency arising from the sale of the sugar securing any
9 loan made under authority of this section, unless such loan
10 was obtained through fraudulent representations by the bor-
11 rower. This provision shall not, however, be construed to
12 prevent Commodity Credit Corporation from requiring the
13 borrower to assume liability for deficiencies in the quality
14 or quantity of sugar delivered under the loan, for failure
15 to properly care for and preserve such sugar, or for failure
16 or refusal to deliver the sugar in accordance with the require-
17 ments of the program.

18 “(d) Sugar acquired hereunder shall not be subject to
19 the provisions of title II of this Act.”

20 SEC. 20. Section 201 of the Agricultural Act of 1949,
21 as amended (63 Stat. 1052; 68 Stat. 899, 912), is further
22 amended as follows:

23 1. After the comma following the word “butterfat” in
24 the clause preceding the colon, insert the following: “sugar
25 beets and sugarcane,”.

1 (2) After subsection (c) thereof insert a new subsection
2 (d) as follows:

3 “(d) The price of sugar beets and sugarcane, respec-
4 tively, shall be supported at a level of 90 per centum of the
5 parity price therefor through loans, purchases, or other opera-
6 tions with respect to sugar derived from the processing of
7 proportionate shares of sugar beets or sugarcane of the 1956
8 and subsequent crops produced in the domestic sugar-pro-
9 ducing areas of the United States. Loans, purchases, or
10 other operations with respect to such sugar shall be at such
11 rates or prices as the Secretary determines, after taking into
12 account receipts of producers from byproducts and condi-
13 tional payments will reflect the equivalent of 90 per centum
14 of the parity price either for sugar beets or sugarcane. Sugar
15 acquired hereunder shall not be subject to the provisions of
16 title II of the Sugar Act of 1948, as amended.”

17 SEC. 21. Section 4501 (c) and 6412 (d) (relating to
18 the termination of taxes on sugar) of the Internal Revenue
19 Code of 1954 are amended by striking out “1957” in each
20 place it appears therein and inserting in lieu thereof “1961”.

21 SEC. 22. Section 4502 (4), chapter 4, subchapter A,
22 “Sugar”, of the Internal Revenue Code of 1954 is amended
23 as follows: Strike out the parenthetical word “(Clerget)”
24 where it occurs in the first sentence and delete the second
25 sentence thereof.

1 *SEC. 23. (a) Section 4504, chapter 37, subchapter A,*
2 *“Sugar”, of the Internal Revenue Code of 1954 is amended*
3 *by adding before the period at the end thereof the following:*
4 *“and except that such tax may be subject to refunds as a tax*
5 *under the provisions of section 6418 (a)”.*

6 *(b) Section 6418 (a) of chapter 65 of the Internal Rev-*
7 *enue Code of 1954 is amended by striking out the “(a)”*
8 *immediately following “section 4501”.*

9 *SEC. 24. The amendments made hereby shall become*
10 *effective January 1, 1956, except as otherwise designated and*
11 *except that required determinations and regulations may be*
12 *issued in 1955 for the calendar year 1956.*

84TH CONGRESS
1ST SESSION

H. R. 7030

[Report No. 1348]

A BILL

To amend and extend the Sugar Act of 1948, as amended, and for other purposes.

By Mr. COOLEY

JUNE 27, 1955

Referred to the Committee on Agriculture

JULY 22, 1955

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Enacted, Nov. 1, 1909]

A BILL

TO AMEND AN ACT TO PROVIDE FOR THE REGISTRATION OF VOTERS IN THE DISTRICT OF COLUMBIA, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That

Section 1

That the following shall be the provisions of the act to amend the act to provide for the registration of voters in the District of Columbia, and for other purposes.

Section 2

7/28/55

14. MINERALS. Passed as reported H. R. 100, to permit the mining development and utilization of mineral resources of all public lands withdrawn or reserved for power development (pp. 10193, 10216-7).
15. RECLAMATION; IRRIGATION. Passed with amendments H. R. 5881, to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects. The amendments consisted of inserting the language of S. 2442 for that of the House bill. Senate conferees were appointed. (pp. 10207-15.)
Passed over, at the request of Sen. Bible, H. R. 4603, to authorize the construction of the Trinity River division, Central Valley project (p. 10194).
Passed as reported S. 1818, to limit the amount of land on Federal irrigation projects which may be exchanged under the act of August 13, 1953 (pp. 10194-5).
Sens. Morse and Neuberger inserted various articles and letters supporting the high dam project for the Hells Canyon Dam project (pp. 10206-7, 10221-3).
16. WATER COMPACTS. Passed without amendment H. R. 3587, authorizing the negotiation of compact by Calif. and Ariz. relative to the waters of the Klamath River (p. 10196).
17. FAO. Passed over, at the request of Sen. Ellender, S. J. Res. 97, to increase the limitation on the U. S. contribution to the Food and Agriculture Organization (p. 10196).
18. ROADS. Sen. Kuchel expressed his regret that Congress did not enact a Federal-aid highway construction bill this session.
19. WHEAT. Sen. Flanders suggested dropping bags of wheat on the Chinese mainland to alleviate the famine and influence the approaching diplomatic negotiations (pp. 10152-3).
20. EXPENDITURES. Sen. Payne commended the recent report on Government expenditures prepared by Sen. Byrd (pp. 10145-6).
21. HEALTH. Sen. Wiley inserted reports of the Public Health Service and private groups on the problem of health in the rural areas and efforts made to provide better health services (pp. 10153-6).
22. STRATEGIC MATERIALS. Sen. Malone submitted a report on the accessibility of strategic and critical materials to the United States in time of war and for our expanding economy. The report describes the economic structure of the 24 nations of the Western Hemisphere and the investment climate within those countries (S. Doc. 83) (p. 10183).
23. NOMINATIONS. Confirmed the nomination of Francis Wilcox as Assistant Secretary of State (pp. 10180-2).
24. LEGISLATIVE PROGRAM. The Majority Leader scheduled for consideration Fri., July 29, the following measures: H. R. 6373, to amend the Domestic Minerals Program Extension Act of 1953 (which was made the unfinished business); H. R. 4663, to authorize the construction of the Trinity River division, Central Valley Reclamation project; S. J. Res. 97, to increase U. S. contribution to the FAO; and S. 2402, to amend sec. 8 of the Civil Service Retirement Act of May 29, 1930 (pp. 10221, 10195, 10219).

HOUSE

25. FARM-CITY WEEK. The Judiciary Committee reported with amendment H. J. Res. 317, designating the last week in October of each year as National Farm-City Week (H. Rept. 1551) (p. 10334).
26. CCC. The Banking and Currency Committee reported without amendment H. R. 7541, to increase the borrowing power of the CCC from \$10 billion to \$12 billion (H. Rept. 1559) (p. 10334).
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27. SUGAR. The Rules Committee reported a resolution providing for consideration of H. R. 7030, to amend and extend the Sugar Act of 1948 (p. 10325).
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28. HOUSING. The Rules Committee reported a resolution providing for consideration of S. 2126, the housing bill (p. 10322).
29. FOREIGN AID. Both Houses agreed to the conference report on H. R. 7224, the mutual security appropriation bill for 1956, and acted on amendments in disagreement (pp. 10167-73, 10241-2). This bill will now be sent to the President.
30. TRADE AGREEMENTS. Both Houses received a Tariff Commission report on the operation of the trade agreements program, July 1953 to June 1954; to S. Finance and H. Ways and Means Committees (pp. 10137, 10334).
31. MINIMUM WAGE. Received the conference report on S. 2168, to amend the Fair Labor Standards Act of 1938 so as to provide for an increase to \$1 in the minimum wage provisions (H. Rept. 1561) (pp. 10320-1).
32. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 3255, to amend the Classification Act of 1949 so as to provide protection for Government officers and employees from loss of basic compensation resulting from reclassification of their positions (H. Rept. 1557) (p. 10334).
33. FARM INCOME. Rep. Deane discussed possibilities for increasing per capita farm income in N. C. and offered suggestions for agricultural development in that State (pp. 10328-32).
34. EMPLOYEE BONDING. Received the conference report on H. R. 4778, to provide for the purchase of bonds to cover officers and employees of the Government (pp. 10322-5). The House conferees included the following in their statement:
- "The conference substitute provides, in general, (1) for the mandatory purchase of surety bonds to cover civilian officers and employees and military personnel of each department and independent establishment in the executive branch ... who are required to be bonded by law or by administrative decision, and (2) for the discretionary purchase of surety bonds to cover those officers and employees in the legislative and judicial branches of the Federal Government with respect to whom the appropriate officials of the legislative and judicial branches deem it advisable to require the purchase of surety bonds.
- "With respect to the executive branch, the conference substitute provides that the head of each department and independent establishment shall obtain and procure blanket, position schedule, or other types of surety bonds to cover those civilian officers and employees and military personnel of such department or establishment who are required, by law or administrative ruling to be bonded. It is required that such bonds shall be obtained and procured

House Calendar No. 148

84TH CONGRESS
1ST SESSION

H. RES. 328

[Report No. 1567]

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 1955

Mr. TRIMBLE, from the Committee on Rules, reported the following resolution ;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (H. R. 7030) to
5 amend and extend the Sugar Act of 1948, as amended, and
6 for other purposes, and all points of order against such bill
7 are hereby waived. After general debate, which shall be
8 confined to the bill, and shall continue not to exceed one
9 hour, to be equally divided and controlled by the chairman
10 and ranking minority member of the Committee on Agricul-
11 ture, the bill shall be read for amendment under the five-
12 minute rule. It shall be in order to consider without the

1 intervention of any point of order the substitute amendment
2 recommended by the Committee on Agriculture now in the
3 bill, and such substitute for the purpose of amendment shall
4 be considered under the five-minute rule as an original bill.
5 At the conclusion of such consideration the Committee shall
6 rise and report the bill to the House with such amendments
7 as may have been adopted, and any member may demand
8 a separate vote in the House on any of the amendments
9 adopted in the Committee of the Whole to the bill or com-
10 mittee substitute. The previous question shall be considered
11 as ordered on the bill and amendments thereto to final
12 passage without intervening motion except one motion to
13 recommit with or without instructions.

84TH CONGRESS
1ST SESSION

H. RES. 328

[Report No. 1567]

RESOLUTION

Providing for the consideration of H. R. 7030,
a bill to amend and extend the Sugar Act of
1948, as amended, and for other purposes.

By Mr. TRIMBLE

JULY 28, 1955

Referred to the House Calendar and ordered to be
printed

July 29, 1955

13. FARM PROGRAM. Sen. Symington charged "political manipulation in the farm program in Missouri"; and Sen. Humphrey joined him in the statement (pp. 10519-29).
14. WATER POLLUTION. Sen. Duff urged water-pollution control as a means of conserving water (pp. 10529-30).
15. FARM CREDIT. H. R. 5168, the FCA bill, was made the unfinished business (p. 10546).

HOUSE - July 29

16. SUPPLEMENTAL APPROPRIATION BILL, 1956. Received the conference report on H. R. 7278 (pp. 10460-4). Attached to this Digest is a statement showing actions on the USDA items in this bill.
17. HOUSING. Passed, 396 to 3, S. 2126, the housing bill, with an amendment by Rep. Wolcott in the nature of a substitute (pp. 10444-43). The Wolcott amendment, which was agreed to by a vote of 217 to 188, does not include the provision for continuation of the farm housing program which has been authorized for administration by this Department. House and Senate conferees were appointed (pp. 10443, 10505).
18. SUGAR. Agreed to a resolution/provide for debate on H. R. 7030, to amend and extend the Sugar Act (pp. 10445-6).
19. DEFENSE PRODUCTION. Began debate on H. R. 7470, to amend and extend the Defense Production Act (pp. 10445-50).
20. FARM LABOR. Agreed to the conference report on H. R. 3822, which provides for a 3½ year extension (until June 30, 1959) of the Mexican farm-labor program, relieves employers of double liability for the cost of returning a worker to Mexico where the employer has paid once for such movement but the Mexican does not return and is later apprehended, and specifies that the Secretary of Labor is to obtain information on the availability of domestic workers, prevailing wage rates, and labor shortages in the area, then post publicly the number of workers to be imported (p. 10401). This bill will now be sent to the President.
21. SURPLUS COMMODITIES. Agreed to the conference report on H. R. 2851, to authorize the Secretary of Agriculture, until June 30, 1957, upon request of a State Governor, to distribute to the State wheat flour and corn meal owned by CCC using Sec. 32 funds limited to \$15 million a year (p. 10402). This bill will now be sent to the President.
22. PERSONNEL. House conferees were appointed on H. R. 4048, making recommendations to the States for legislation to permit and assist Federal personnel to vote (pp. 10444-5).
23. WATER RESOURCES. Agreed to the conference report on H. R. 3990, to authorize the Interior Department to investigate and report to Congress on projects for the conservation, development, and utilization of water resources of Alaska (pp. 10394-5). This bill will now be sent to the President.
24. PERSONNEL. Passed as reported H. R. 7618, to increase annuities of retired employees by 12% on the first \$1,500 and 8% thereafter up to \$4,000, with a gradual reduction in the increases until they end on Dec. 31, 1957 (pp. 10395-6).
25. WATER COMPACT. Passed as reported S. 2660, consenting to a compact among Ark.,

- Tex.,
La., and Okla. regarding Red River basin waters (p. 10395).
The Public Works Committee reported with amendments H. R. 6256, consenting to a compact of Kans. and Okla. regarding Arkansas River Basin waters (H. Rept. 1592)(p. 10466).
26. RECLAMATION. House conferees were appointed on H. R. 5881, to provide for Federal cooperation in non-Federal reclamation projects, etc. (p. 10395). Senate conferees were appointed July 28.
Rep. Pfost spoke in favor of the Hells Canyon project (p. 10402).
Received from the Interior Department a report on the Ventura project, Calif. (H. Doc. 222); to Interior and Insular Affairs Committee (p. 10465).
The Interior and Insular Affairs Committee reported without amendment S. 180, to authorize the Washita River Basin project, Okla. (H. Rept. 1582)(p. 10466).
27. SURPLUS PROPERTY; CIVIL DEFENSE. Passed as reported H. R. 7227, to amend the Federal Property and Administrative Services Act of 1949 so as to authorize disposal of surplus property for civil defense purposes (pp. 10396-7).
28. PROPERTY; TAXATION. Passed without amendment H. R. 6182, to amend the Federal Property and Administrative Services Act so as to make temporary provision for payments in lieu of taxes with respect to certain real property transferred by RFC to other Government departments (pp. 10397-401).
29. FARM-CITY WEEK. Rep. Ashmore requested consideration of H. J. Res. 317, to provide for Farm-City Week, but Rep. King, Pa., objected (p. 10404).
30. PUBLIC LANDS; MINING. House and Senate conferees were appointed on H. R. 100, to permit the mining, development, and utilization of mineral resources of all public lands withdrawn or reserved for power development (pp. 10445, 10530).
31. REORGANIZATION; PAPERWORK. Rep. Hollifield criticized the Hoover Commission procedure in connection with the study on paperwork (pp. 10457-9).
32. WILDLIFE CONSERVATION. The Merchant Marine and Fisheries Committee reported without amendment S. 756, to authorize the appropriation of accumulated receipts in the Federal-aid wildlife-restoration fund (H. Rept. 1756)(p. 10466).
33. LIBRARY SERVICES. The Education and Labor Committee reported without amendment H. R. 2840, to promote the further development of public library service in rural areas (H. Rept. 1587)(p. 10466).

ITEMS IN APPENDIX - July 29

34. SUGAR. Rep. Utt inserted the testimony of Oscar L. Chapman on the sugar bill (pp. A5612-14).
35. TOBACCO. Rep. Lankford inserted an editorial favoring purchase of Swiss products so as to enable the Swiss to purchase American tobacco (p. A5614).
36. PERSONNEL. Rep. Hoffman inserted a Saturday Evening Post article, "Loyalty Boards Can Err, but We Still Need Them"(p. A5622).
37. FARM PROGRAM. Sen. Humphrey inserted a Democratic Digest article charging "pledges and hedges" regarding the farm program by the administration (pp. A5624-5).

Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BURLESON, ASHMORE, and MORANO.

MINING, DEVELOPMENT, AND UTILIZATION OF MINERAL RESOURCES OF PUBLIC LANDS WITHDRAWN OR RESERVED FOR POWER DEVELOPMENT

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 100) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes, with Senate amendments, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ENGLE, ASPINALL, ROGERS of Texas, SAYLOR, and YOUNG.

STEPHAN SWAN OGLETREE

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6232) to include as Spanish-American War service under laws administered by the Veterans' Administration certain service rendered by Stephen Swan Ogletree during the Spanish-American War, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, for the purpose of laws administered by the Veterans' Administration, it shall be considered that Stephan Swan Ogletree was honorably discharged from Company G, Second Regiment Alabama Volunteer Infantry, after having rendered at least 70 days active military service therein during the Spanish-American War. No benefit shall be afforded hereunder for any period prior to the date of receipt of an application therefor filed subsequent to the date of enactment of this act."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in; a motion to reconsider was laid on the table.

COMMISSIONER OF ATOMIC ENERGY COMMISSION

Mr. DURHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7684) to authorize the Atomic Energy Commission to pay the salary of a Commissioner during the recess of the Senate, and for other purposes.

The Clerk read the title of the bill.

Mr. COLE. Mr. Speaker, reserving the right to object, will the gentleman

from North Carolina give a brief explanation of the bill?

Mr. DURHAM. Mr. Speaker, this bill simply permits the President to pay the salary of a Commissioner to fill a vacancy at the present time, provided appointment is made as an interim appointment. It also contains a provision dealing with certain information regarding the Commissioners.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc.—

AUTHORIZATION

SECTION 1. Notwithstanding the provisions of the act of June 7, 1924 (43 Stat. 699; 5 U. S. C. 56), the United States Atomic Energy Commission is authorized to pay the salary of any person appointed by the President during the recess of the Senate to fill the presently existing vacancy on the Atomic Energy Commission: *Provided*, That a nomination to fill such vacancy shall be submitted to the Senate not later than 40 days after the commencement of the next succeeding session of the Senate.

LIMITATION

SEC. 2. The authority granted in section 1 hereof shall not extend beyond the recess of the Senate next following the session of Congress during which this act is enacted.

SEC. 8. The first sentence of section 21 of of the Atomic Energy Act of 1954 is amended to read as follows: "Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission, shall have full access to all information relating to the performance of his duties or responsibilities, and shall have one vote."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON PUBLIC WORKS

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the bill H. R. 7596.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

HOUR OF MEETING JULY 30

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10:30 o'clock a. m.

Mr. H. CARL ANDERSEN. Mr. Speaker, I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 320, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, adoption of House Resolution 320 will make in order the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended.

House Resolution 320 provides for an open rule with 1 hour of general debate on the bill.

Mr. Speaker, this bill would extend the provisions of the Defense Production Act to the close of June 30, 1956. As the report indicates the necessity for the extension of this act lies in the fact that the country is still engaged in mobilization and defense programs and it is imperative that the program be continued.

The bill has been reported from the Committee on Banking and Currency without amendment and the committee report complies with the Ramseyer Rule.

Since the rule is an open one and therefore the bill would be open for amendment I hope that the House will adopt House Resolution 320 which will make consideration of H. R. 7470 possible.

Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I reserve my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

AMENDING AND EXTENDING THE SUGAR ACT OF 1948, AS AMENDED

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 328 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, and all points of order against such bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the

intervention of any point of order the substitute amendment recommended by the Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN], and at this time I yield myself such time as I may consume.

Mr. Speaker, as indicated by the reading of the resolution, it makes in order consideration of the bill H. R. 7030, to amend and extend the Sugar Act of 1948.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no opposition to this rule. It makes in order consideration of the bill H. R. 7030. Certain comments were made in regard to three amendments that might be offered, but I shall not go into that now.

Mr. Speaker, I reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

AMENDING THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7470, with Mr. SHEPPARD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill would extend the Defense Production Act for another year. The Defense Production Act is an emergency act. It was enacted during the Korean war, and the only justification for its continuance is that there still is an emergency. I think we can all agree to that. The world is in such an unsettled state that we have to be constantly prepared for any emergency; that we must keep the administrative machinery in operation so it will not be hard to continue it in its full vigor if we need it.

The Defense Production Act now contains only three titles relating to allocations and priorities, defense production assistance, and administrative provi-

sions. The bill makes few changes in the act. The administration has asked for the services of men who have special skills, who work without compensation. Many of these are men who have vast holdings in various enterprises that might conflict with their duties to their Government. These men have not been under very close supervision. They have largely exercised their judgment without the strict control that it seems to me should be exerted over them. A man certainly cannot serve two masters, and we are told that where a man's treasure is there his heart is also. So, we have placed restrictions upon these gentlemen. We have provided that they should divulge their holdings to the heads of their agencies and they should not make any policy decisions. Some people have said that a good man would resent these requirements; that he would not come here to serve. But, I am quite sure that a man who was imbued with a patriotic spirit and a desire to serve would be glad to have such restrictions imposed on all w. o. c.'s, because if there is any breach of duty or any unfaithfulness on the part of anyone, the taint falls on all. So, we have proposed some strong provisions that will protect the interests of the Government if men should seek to enrich themselves by pretending to serve their Government.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. CELLER. I have read carefully the bill the committee reported out, and it does make a sincere effort to curb the operations of those who have dual loyalties or w. o. c.'s, without compensation, those whom we called in the Second World War "dollar-a-year men." But, in the inquiry that the House Committee on the Judiciary has made, evidence has been adduced to show, for example, that the Director of the Business Defense Services Administration—which is a successor to the old NPA—in the Department of Commerce, has ruled that w. o. c.'s may be heads of divisions. There are 25 divisions in the Department of Commerce, and 15 of those division heads are w. o. c.'s. These division heads pass upon or recommend on matters of tax amortization, matters of quotas, matters of preferred treatment, Government specifications in contracts, and, in addition, they control scores and scores of civilian employees. Now, the head of the Business and Defense Services Administration, Mr. Honeywell, said that a head of a division should be a w. o. c. He at least prefers w. o. c.'s to head divisions. He has made that decision and could make that decision even with the passage of the bill that the gentleman reported out. I am of the opinion—and I am sure the gentleman is—that the head of such a division is in a policymaking position in view of what his duties are. If he is in a policymaking position the w. o. c. should not be employed. Secretary of Commerce is not to place in a policymaking position w. o. c.'s, but Mr. Honeywell and Mr. Weeks have already decided w. o. c.'s may be the heads of divisions. In other

words, the gentleman's bill will not prevent them from doing just that. The Department of Commerce heads determine what is or what is not a policymaking position. They determine in advance that a head of a division is non-policymaking. An amendment might well be offered to the effect that a division head is a policymaking position and cannot be filled by any w. o. c.

Mr. SPENCE. I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

EMPLOYEES WITHOUT COMPENSATION

Mr. PATMAN. Mr. Chairman, this bill permits the continuance of w. o. c.'s without compensation. During World War I the Government permitted the use of dollar-a-year men. During World War II the use of dollar-a-year men was again permitted. When the Korean war commenced in 1950, I believe in either October or November of that year, President Truman asked for the passage of this act, the Defense Production Act. It permitted the use of w. o. c.'s without compensation. He restricted their activities to a certain extent and it was intended that it apply only during the war or a great national emergency. That was the purpose of the use of w. o. c.'s.

You cannot justify their use any other way. Let us remember that in 1953 when the extension of this act was again requested by President Eisenhower, Mr. Truman's order continued as it was before for the last 2 years, it extended the act until 1955. It expired June 30, 1955 but a continuing resolution extends it to July 30, 1955. It is a simple question now, and the question is, Shall we in time of peace permit the use of people in Government service who have a conflict of interests and who have a personal ax to grind, a selfish ax to grind. In other words, whom will they serve? Will they serve their Government or will they serve the corporation that pays them a salary. That is the question involved here.

I have a simple amendment to this bill, that is really just one word, just the word "not," so it in effect will read that they shall not be permitted.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. The gentleman mentions the word "not." If this word "not" is inserted in the bill it will practically kill the effect of the bill. You have to have some of these \$1-a-year men. We have corrected the situation mentioned by the gentleman by placing many amendments in the bill, and I do not see how anybody could take advantage of the Government under the amendments we have put in this bill. Of course, you have to give the Administrator, Dr. Flemming, who is one of the finest men I know anywhere, the tools with which to carry out his duties. Inserting the word "not" means that he cannot carry out these duties.

Mr. PATMAN. We will not have any w. o. c.'s, that is what I mean by this.

This amendment is to strike out all the language beginning on page 4, line 7, and all of pages 5, 6, 7, and on page 8,

private citizens, as advocates of the free enterprise system—yes, as members of a capitalist team—to meet those demands through the free enterprise system. If that demand is not met by you as private practicing physicians, or by you as groups of private practicing physicians, then it will be done for you by the Federal Government.

That is the history of this Nation and nothing you or I can say will stop it. It is only what you and I do to fill the needs of the people through the free enterprise system that that system will continue to exist as we know it.

It is for you to decide as leaders in your communities, as men respected and loved by your patients, your friends, and your neighbors, as to where and how and when we are going ahead. It can be done by direction of the Federal Government or it can be done through the free enterprise system and the cooperation of the Federal Government, but as sure as I am standing here today, it will be done.

You will have to make the choice—and I believe I know what your choice will be.

In Expression of Gratitude

EXTENSION OF REMARKS OF

HON. STEVEN B. DEROUNIAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. DEROUNIAN. Mr. Speaker, on the occasion of his meeting with the Honorable Herbert C. Hoover, Jr., the Under Secretary of State, His Grace, Archbishop Mampre Calfayan, primate of the Armenian Church in North America, presented the following scroll of gratitude:

IN EXPRESSION OF GRATITUDE

On the happy occasion of our meeting with representatives of the Secretary of State, and on behalf of the Armenian Church in the United States under the venerable Holy See in Etchmiadzin, with 48 authorized parishes and approximately 100,000 parishioners, may we again voice our expression of gratitude for the freedoms and opportunities granted us as citizens by birth or by naturalization; reiterate our devotion and loyalty to the principles of our Republic; and pledge to resist any and all enemies, both from within and without, which with aggressive intent, may seek to attack our beloved country.

While many Americans of Armenian origin are bound by ties of blood and sentiment with their brethren in their ancestral homeland in Armenia, the attachment is one of filial kinship. On behalf of my flock in the United States I can assure the Secretary of State that there can be no doubt whatsoever as to the loyalty of my people, in time of peace or in time of stress. The spirit of allegiance has taken root deep in our hearts. We are Americans. Our loyalty is unreservedly bound to the best interests of the United States, now and forever.

Our divine ministry commands us to seek the ways of peace and not those of war. We therefore pray for the fulfillment of the devout wish of our President Eisenhower, "to live in peace with all the world, to commune with them, to learn from their culture as they may learn from ours . . . so that our sons may stay at home, the products of our toil may be used for our schools and roads and churches, and not for guns and planes and tanks and ships of war."

Respectfully presented on this 19th day of July 1955 in Washington, D. C.

Archbishop MAMPRE CALFAYAN,
Primate of the Armenian Church in
North America.

Bishop's Sermon at Ruma Details the Dignity and Duties of the Religious

EXTENSION OF REMARKS

OF

HON. KENNETH J. GRAY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1955

Mr. GRAY. Mr. Speaker, His Excellency the Most Reverend Albert R. Zeroweste, D. D., bishop of Belleville, Ill., delivered a sermon at the Ruma, Ill., Motherhouse. Ruma, Ill., is located in my congressional district, and I am happy to include in the official CONGRESSIONAL RECORD Bishop Zeroweste's sermon.

The sermon follows:

"You have not chosen me, but I have chosen you, and have appointed you that you should go and bear fruit and that your fruit should remain." (John 15: 16.)

Right Reverend Monsignor, Very Reverend and Reverend Fathers, Reverend Mother, Dear Sisters and Beloved in Christ:

We extend congratulations to all the participants in today's beautiful ceremony. Your hearts are filled with joy and gratitude as you offered to Christ your mind, your soul and whole being and thus became His brides. The young women just beginning this dedication of self look forward with trust knowing that those who have gone before them have found joy, peace, and contentment with Christ. Those who have completed 25 or 50 years in the religious life have already experienced the lightness of Christ's burden, the sweetness of His yoke.

Since we have not here a "lasting city but seek one that is to come," we do not expect perfect happiness on this earth. Our Divine Master has told us that if we would come after Him we should take up our cross daily and follow Him. But, in spite of the daily crosses the true religious finds a happiness and peace that the world cannot understand nor enjoy. "Peace, I leave with you, my peace I give to you; not as the world gives do I give to you." (John 15: 17.) Do not let your hearts be troubled or be afraid." (John 14: 28.) "In my Father's house there are many mansions." "I am the way, and the truth, and the life." (John 14: 6.) "No one comes to the Father but through me." These familiar words of the Divine Master reecho in your mind and heart today. They are the words of divine truth, they are the words that gave you strength to take the important step and they are the expression of Christ's companionship with the true religious.

Frequently you have meditated upon your dignity and duties as spouses of Christ. And like all who are called to His service you have at times been disturbed by doubts and questions. You asked yourself, why should I have a religious vocation? Why should I be privileged to be a bride of Christ? Am I worthy of such companionship? The words of Christ: "You have not chosen me, but I have chosen you," have reassured you, and you are worthy because Christ wants you, because Christ loves you.

It is important to remember this fact in the daily practice of your spiritual life. Christ wants you, Christ has called you, you

are working for Christ and with Christ. You, therefore, never perform any action or fulfill any duty alone. Christ is your constant companion. He is with you in the classroom, at the bed of the sick, in the corridors of your convent; He sits beside you at your desk and kneels beside you at your prayers; you do not walk alone, but Christ walks with you.

There is a movie on vocations called God's Career Women. I suppose many of the Sisters have seen it. It depicts the life of a young woman from the day she enters the convent to begin her training in a religious order. It shows her in her work, her prayers, her daily spiritual exercises and at recreation. The title, however, to my mind, may be confusing. In modern usage the career woman has an entirely different connotation than our idea of religious career women. In the religious life one must abandon all careers as the world understands a career. A career for God, yes; a career for honor, glory, success or worldly recognition, no. This does not mean that a religious should not use her natural talents; it does not infer that she refrain from giving her best efforts in fulfilling the tasks assigned to her. It does, however, demand that the ego be submerged in the Christus; the bride, hidden behind the personality of her divine spouse. A true religious must even be forgetful of self. The religious vows themselves signify the submission of self to God and to our lawfully constituted superiors. True, it is not an easy undertaking but this submission of ourselves to Christ is absolutely necessary for a complete and happy religious life. One can succeed only when she has forgotten self for Christ and takes as her motto the words of St. Paul: "I can do all things in him who strengthens me." (Philippians 4: 13.)

When a religious learns this secret of abandonment of self, she has acquired the secret of success; then she is truly Christ's career woman. Remember there is no career of any religious except the career of becoming a saint. All other occupations, tasks or accomplishments are only rungs on the ladder leading to this end. "We build the ladder by which we rise; from the lowly earth to the vaulted skies; and we mount to the summit round by round, 'For this is the will of God your sanctification.'" (Thessalonians 4: 3.) "The Lord is faithful, who will strengthen you and guard you from evil." (2 Thessalonians 3: 3.)

The Master has spoken to you: "Come, follow me." You heard His voice and accepted the invitation. You have replied: "I have come; I have left father, mother, home, relatives and all things. You, my spouse, are my way, my truth, my life. Without you, dear spouse, I can do nothing."

Frequent meditation on the exalted dignity of your calling and the richness of the spiritual life will not only stir anew your gratitude for the privilege of being Spouses of Christ but will also quicken your desires to share with others the joy that is yours through religious life.

So each day walk along the way of the cross, the road of sanctity. It is not an impossible journey because Christ invites you and He never asks of us the impossible. "You therefore are to be perfect, even as your Heavenly Father is perfect." (Matthew 5: 48), Christ has invited you, you have accepted the invitation and now you put yourself completely in His care. He offers grace, light, and strength; He draws and guides you along the labyrinthine ways. He is pursuing you, asking you to love Him and to give yourself in return with docility, trust, and generosity.

Recall how much Jesus has loved you, how He has favored you in calling you to the religious life. In gratitude, you must now become a saint—there is no other way to serve. And remember that putting on Christ is the

work of a lifetime, but a work that must be done each day because from the first day you begin your work as teacher, nurse, or in any other activity you must begin at once to form Christ in others.

I need not emphasize the important role of devotion to the most precious blood in your striving for sanctity. You are dedicated in a very special manner to the precious blood. Christ's mission on earth was to shed His blood for man's redemption. This He proclaimed when He instituted the Holy Eucharist. "And taking a cup. He gave thanks and gave it to them, saying: 'All of you drink of this; for this is my blood of the new covenant which is being shed for many unto the remission of sins.'" (Matthew 26, 27, 28). His blood seeped into the earth in the Garden of Olives; during the scourging it was scattered on the walls of the pagan court; it left a trail from Pilate's court to Calvary; it covered the hands and clothes of the executioners and claimed at least one of their number. And the last drop was drained from His body when one of the soldiers opened His side with a lance, and immediately there came out blood and water. (John 19: 34.)

The prodigality with which Christ shed His blood from the beginning of His Agony until His death on the cross is one of the mysterious aspects of His passion, especially since we know that one drop of His precious blood had power to redeem countless worlds. This profuse shedding was another proof of this boundless, infinite love.

As members of this community dedicated to adoration of the precious blood, be generous as Christ was generous. I assure you then you will reach the heights of sanctity and you will walk worthily in the vocation to which you have called.

We wish to congratulate the parents and relatives of these brides of Christ. They also have been generous with Christ in giving their own back to God. Remember that the Divine Master cannot be outdone in generosity. Your reward will be exceedingly great.

We priests share in the joy and happiness of this moment in a special manner. The pastors of these young women are particularly pleased because one or more among their spiritual children have been chosen to this exalted vocation. The rest of us know that our schools, institutions of charity will continue because there are young women to follow in the footsteps of the Holy women who aided Christ when He trod the wine press of sorrow alone.

Let all unite in a hymn of praise and thanksgiving to the triune God on this feat day honoring the precious blood of the Second Person of the Most Blessed Trinity.

Blinded Veterans Association 1955 Achievement Award Goes to Houston, Tex., Veteran

EXTENSION OF REMARKS
OF

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. TEAGUE of Texas. Mr. Speaker, I wish to submit for the RECORD a news release of the Blinded Veterans Association, Inc., which tells of an award for achievement by that organization to Mr. Criss Cole, a blinded veteran of World War II. Since he was blinded by a Japanese grenade on Tarawa during World War II, Mr. Cole has completed all work

required to obtain a bachelor of science degree and a bachelor of laws degree from the University of Houston and is now a practicing attorney in Houston and a member of the Texas State Legislature. The story of his achievement and his personal triumph over his handicap is an inspiring one which I commend to all Members of Congress. It follows:

NEW YORK, N. Y., August 7.—A 37-year-old former marine, who was blinded by a Japanese hand grenade during the bitter fighting for Tarawa in World War II, has been given the 1955 achievement award of the Blinded Veterans Association in recognition of his personal accomplishment and his service to the community.

The veteran, Criss Cole, of Houston, Tex., who is currently a member of the Texas House of Representatives, received the award last night at a banquet held at the Hotel New Yorker, the final function of the association's 10th annual convention, which opened on August 2.

The BVA achievement award is presented annually to a blinded veteran who has been especially outstanding in his chosen field of employment and in his adjustment to daily living as a blind person.

Despite his blindness and the fact that economic circumstances prevented him from obtaining much formal schooling before the war, Cole went through college and law school after he was discharged from the Marines. He became a successful candidate for the State legislature and now engages in the private practice of law between sessions.

Criss Cole was born in Sawyer, Okla., in 1918, and is 1 of 10 children. His family moved to Sims, Tex., when he was 2 years old, and he was raised in this farming community. With so many mouths to feed, it became necessary for Cole to leave school in the ninth grade in order to help his father on the farm. At the age of 18 he joined the Civilian Conservation Corps and spent 20 months in Colorado and California.

In October 1940 he enlisted in the Marine Corps and served overseas in Iceland, New Zealand, Guadalcanal, and Tarawa. On November 23, 1943, he was totally blinded when a Japanese hand grenade exploded in his face on the beach at Tarawa.

Cole was returned to the United States and received medical treatment at the Philadelphia Naval Hospital, being discharged on August 1, 1944. He then went to Houston, Tex., to look for a job.

For him, the year 1945 proved momentous. He was engaged by the Reed Roller Bit Co. as a bench worker and shortly after that married Joanne Spica, whom he had met while he was a patient at the Philadelphia Naval Hospital.

In January 1949, the Veterans' Administration authorized Cole to enter training to become a lawyer. The veteran passed a test entitling him to the equivalent of a high school diploma from the Texas State Board of Education and began his prelaw studies at St. Thomas University in Houston.

Two years later, he transferred to the University of Houston, where he completed his work for a B. S. degree. He was awarded an LL. B. degree from the same university in May 1954, and was named the outstanding law student of the year by his fellow students.

Cole was admitted to the bar in May 1954, and opened an office in downtown Houston. At the same time, he became a candidate for election to the Texas House of Representatives.

Without a campaign manager or financial backing, and making no promises, Cole entered the campaign with a two-point platform: (1) improvement of conditions at State mental institutions, and (2) a rehabilitation program for juvenile delinquents.

He was elected by an overwhelming majority that November.

Cole is active in church and civic affairs. He is deeply interested in the vocational rehabilitation of the disabled—both veteran and civilian—and devotes much of his time to addressing business groups, stressing the value of utilizing this source of productive manpower. He acknowledges the fact that loss of sight is a severe disability, but points out that the more efficient use of other faculties and resources enables a blind person to carry on a normal life. His own example demonstrates that a disability need not be a handicap.

He enjoys fishing and horseback riding and particularly likes to take his two sons Dennis, 8, and Warren, 6, on picnics and to the zoo.

The citation accompanying the BVA Achievement Award reads as follows: "For exemplifying the principles of initiative, independence, and self-reliance to which the Blinded Veterans Association is devoted."

The Newman Prize of \$100 which accompanies the award was also presented to Cole. This prize is contributed annually by Nathan Newman, New York businessman and long-time friend of the BVA.

The three judges for this year's Achievement Award were Dr. A. Duane Beam of Grosse Pointe Farms, Mich., a prominent ophthalmologist who was in charge of eye casualties at the Philadelphia Naval Hospital during World War II; C. Warrend Bledsoe, Chief of Blind Rehabilitation, Veterans' Administration, Washington, D. C.; and Peter J. Salmon, Executive Director of the Industrial Home for the Blind, Brooklyn, N. Y.

In addition to Cole, the judges cited the following blinded veterans for their outstanding achievements: Alexander R. Bishop, Talladega, Ala., instructor, Alabama School for the Blind; Norbert L. Cormier, Newington, Conn., Veterans' Employment Representative, Connecticut State Employment Service; James F. C. Hyde, Washington, D. C., legislative analyst, Bureau of the Budget; Edmund Jemison, Basom, N. Y., social worker, Genesee County (N. Y.) Department of Welfare; Thomas J. Kennedy Jr., Baltimore, Md., owner and operator of an office supply company; Harry J. Kosmala, Chicago, Ill., vending stand operator; Fred Krauss Jr., Broomall, Pa., employment interviewer, Pennsylvania State Employment Service; Julius Morris, New Britain, Conn., attorney; Leonard M. Pawlak, Milwaukee, Wis., medical dictation transcriber, VA Hospital, Wood, Wis.; Lawrence L. Peets, West Arlington, Vt., bookbinder; Earle G. Ramsey, Brevard, N. C., attorney; and Stuart D. Rawley, San Gabriel, Calif., cabinetmaker.

Nominations for the BVA Achievement Award were solicited from Veterans' Administration Regional Offices throughout the country as well as from BVA's local chapters.

Statement by Oscar L. Chapman Presented Before the Committee on Agriculture on Legislation To Amend and Extend the Sugar Act of 1948 as Amended

EXTENSION OF REMARKS
OF

HON. JAMES B. UTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. UTT. Mr. Speaker, in view of my intense interest in our relations with our good neighbor, Mexico, under unanimous consent, I insert in the RECORD the following statement by Oscar L. Chapman

presented before the Committee on Agriculture on legislation to amend and extend the Sugar Act of 1948 as amended:

I am appearing here on behalf of the Association of Sugar Producers of Mexico, which has a very vital stake in the legislation now pending before this Committee. This opportunity to appear and testify is most sincerely appreciated by the association and by the many thousands of our good friends in Mexico who depend upon their sugar industry for their livelihood.

On June 17, I filed in the House of Representatives, a petition on behalf of the sugar producers of Mexico, which was duly received and referred to your committee. This petition states the affirmative case of the Mexican sugar producers. In order to save the time of the committee, I respectfully request that the text of the petition be incorporated in the record. I shall confine myself in my statement to some brief, but, I believe, extremely important comments on the legislation proposed by the executive establishment.

At the very outset, I wish to make it absolutely clear that we have no quarrel whatsoever with the proposal to grant relief to the domestic sugar industry as exemplified by H. R. 5406 which is now before you. I say that in the full knowledge that that bill would have the effect of lowering the quotas that would otherwise accrue to Mexico in 1955 and 1956. Certainly the Congress has an obligation to look after the best interests of the United States first, and to foster such a domestic sugar industry as it deems consistent with those best interests. We consider it entirely inappropriate for any foreign principal to seek preferential advantage for itself by attempting to influence that judgment.

Mexico seeks only to obtain a fair share of that portion of the United States market which is to be allotted among foreign producers after the domestic producers have been taken care of. In that regard, Mexico insists that it is entitled to equal consideration, on the merits of its case, with all other foreign producers.

Unfortunately, the proposal submitted by the executive departments does not reflect equal consideration on the merits. In fact, it is so grossly discriminatory and inequitable as to be shocking.

The essential evil of the proposal of the executive establishment is that it perpetuates a system which ignores present day equities and relies solely on ancient history. Under this bill, foreign quotas are not allotted on the basis of the needs and merits of 1955, but essentially on the basis of the quantitative distribution of the market as it existed in 1934. Thus no matter what has happened in the ensuing years in terms of economic and political relations, the lion's share of the market is reserved for the few suppliers who happened to be there first. No matter how efficient a new producer is, he is substantially excluded from the United States market.

Under this proposal, Cuba, beginning in 1957, is arbitrarily granted 60 percent of the total increments in foreign quotas. The remaining 40 percent is to be prorated among the full-duty countries in accordance with their average shipments during the period 1951 through 1954. This system guarantees that Mexico, for the duration of the act, must take a subordinate position to Peru and the Dominican Republic since she obviously shipped less sugar to the United States than they did during the base period. And why did she ship less than they did during the base period? Because under the current act she was not allowed to ship more. Moreover, Mexico was not allowed to ship more because during a previous base period she was similarly restricted.

This represents a kind of economic Shintoism which is entirely inconsistent with the professed international trade policy of the United States. The State Department itself has insisted, in the trade councils of the world, that where quantitative restrictions on imports must be adopted, there should be provision for making adjustments to meet special situations and to recognize current exigencies.

Surely at long last there must come a time when such a legislative scheme must be reexamined in the light of present-day realities and when reasonable adjustments must be made. That time is long overdue. This outmoded approach to foreign-sugar quotas should not be carried forward into the new legislation which you are now considering.

I can readily understand the reluctance of the executive departments to recommend a cut in the present quota of Cuba or any other country below what it presently enjoys, even though its relative share of the present market could not be justified by objective economic criteria. There is a natural tendency to try to make adjustments as painlessly as possible and to leave intact that which a country now has. That, however, is not the major defect of the executive proposal. The overriding evil of the bill is that it not only preserves the quotas accumulated under the historic base-period system, but it projects that system into the allocation of the future growth of the market. That is carrying history too far.

Under the bill proposed by the executive establishment and under H. R. 5406 for that matter, no foreign country would be cut 1 ounce below its present deliveries. Certainly this alone should eliminate any economic dislocation which might be feared. Beyond that, however, as we compute it, the executive proposal would have the effect of freezing participation of foreign countries in the future growth of the market as follows:

<i>Foreign participation in future growth</i>	
	<i>Percent</i>
To Cuba.....	60.0
To Peru.....	18.4
To the Dominican Republic.....	11.6
To Mexico.....	4.0
To all others.....	6.0

Even if it should be assumed, giving due deference to history, that no foreign country should be called upon to give up 1 pound of the tonnage it now ships, by what magic can it be concluded that the Dominican Republic is entitled to participate in the future growth of the United States market almost 3 times the extent of Mexico, or Peru 4½ times. Why should Cuba be given a share in the future growth of our market 15 times greater than that allowed Mexico? I submit that this cannot be justified by any reasonable standard.

The Assistant Secretary of State told this committee: "The decision concerning the relative shares of the foreign supplier should, of course, be made on the basis of standards which can be applied as uniformly as possible among the various countries."

I am certainly in favor of uniform standards. I would like for the committee to judge on the whole record whether there has been a uniform application of standards in the position taken by the executive departments.

Frankly, I am quite weary, and I am sure some of you are, of being told that the entire export trade of the United States may collapse if Cuba's stranglehold on the United States sugar market is not maintained.

If export trade is to be used as the basis for justifying Cuba's position, surely it should be worth some consideration with regard to Mexico.

The fact is that Mexico's purchases from the United States last year amounted to \$628

million and exceeded those of Cuba by \$200 million. Moreover, Mexico's purchases from the United States last year exceeded the combined purchases of Cuba, the Dominican Republic, and Peru by \$51 million.

In 1954, Mexico's purchases in the United States were more than 6 times those of Peru and more than 12 times those of the Dominican Republic.

The State Department also told you that most of the countries which sell sugar to the United States have an unfavorable trade balance with the United States. They wish to buy an increased volume of our export products but are able to do so only by increasing their sales here.

Compare Mexico's unfavorable balance last year of \$299.8 million with Cuba's of \$26.9 million, and Peru's of \$300,000. The Dominican Republic had a favorable balance of \$20 million.

Because of its unfavorable dollar situation Mexico was forced to undergo a devaluation of the peso in 1954. That devaluation caused grave injury to Mexico's economy and another would have irreparable economic consequence.

It would be well for this committee to consider too, just where the trade ties of the competing claimants lie. Seventy-five percent of Mexico's export trade is with the United States, as compared with about 61 percent for Cuba, 51 percent for the Dominican Republic, and 38 percent for Peru.

In face of all these facts, why should Cuba be entitled to participate in the future growth of our sugar market 15 times the extent of Mexico or Peru 4½ times or the Dominican Republic 3 times? It is difficult for the Mexicans to understand and I submit that it must be difficult for anyone to understand. In fact it outrages the sense of justice and fair play.

Mr. Chairman and members of the committee, Mexico has never before come to the United States for an increase in its sugar quota. This is the case even though as our good friend and next door neighbor and our only foreign supplier in a position to ship sugar overland, the United States is her natural and logical market. Mexico comes now, reluctantly, because there is no alternative.

Mexico has restricted its production. It has greatly increased its domestic consumption of sugar. Over the last 14 years sugar consumption in Mexico has doubled. Today Mexico consumes domestically 80 percent of its annual production. Mexico does not appear here seeking to become a great export country. It seeks only that small measure of relief to which it is equitably entitled, which is vitally necessary to sustain its domestic sugar industry.

As you know, Mexico has been substantially shut out of the United States sugar market. In 1953, as a result of the International Sugar Agreement, Mexico's ability to sell on the world market was drastically curtailed. The United States exercised a dominant influence on this agreement. Meanwhile, the United States has been subsidizing Mexico's competitors who have huge export surpluses and who use this subsidy to depress the world market price for sugar. All of this adds up to ruin for the Mexican sugar industry if no relief is available at the hands of the United States. That is why Mexico now comes to the United States as the only available source of relief. Having come here it fully expects just and fair treatment in comparison with all other foreign countries.

Mexico asked in its petition and in its representations to the State Department for a sugar quota equivalent to 2 percent of United States consumption. This is fair and reasonable in the light of Mexico's stature as a sugar producer second only to Cuba among Latin American suppliers and in the light of her trade relations with the United States.

Even if, in the interests of preserving to other foreign countries their present shipments, this should not be granted, at the very least Mexico would expect that it would be given a participation in the growth of the market bearing some reasonable relationship to the merits of its case. At the very least it would be expected that the 45 percent of increments in the United States sugar market which is allotted to foreign countries would be distributed among those countries on the basis of such considerations as (1) purchases from the United States, (2) trade balance with the United States, and (3) trade ties with the United States as compared with the rest of the world.

Mr. Chairman, I have prepared no suggested amendment showing what this distribution of the increase in the foreign portion of the United States sugar market would amount to according to such standards as I have suggested. Until these hearings opened the Mexican sugar producers had no idea that the executive departments would ignore their representations and would suggest a formula relying solely on history and denying any consideration of the merits of the individual cases presented. With the permission of the committee I should like to supply a suggested allocation of the annual increment in sugar consumption among the foreign suppliers.

The bill proposed by the executive establishments is bad legislation. It is bad because it makes no attempt to deal with the problem of foreign sugar quotas on its merits. In fact, it represents an attempt to side-step the problem and avoid having to deal with it on its merits. Such legislation can usually be counted on to create more problems than it avoids.

Mr. Chairman and members of the committee, Mexico has always been a good friend and good neighbor of the United States. The Mexican people are following these hearings with keen interest because of the vital importance of the outcome to the economy of Mexico. Mexico seeks no special favors here. It seeks only that its case be considered on its merits by any and all reasonable standards in comparison with the case of each and every claimant and that an enlightened and fair determination be made on that basis.

The Mexican sugar producers and the Mexican people are confident that they will receive full and fair consideration from this committee and I want to thank you again for your patience and courtesy in hearing me.

enabled him to get some free space about domestic dolls.

But if the dollmakers of the United States cheer him, there is one group of patriotic Americans who won't. The tobacco growers of southern Maryland are mighty glad the President spent the equivalent of \$21 in Switzerland. To that extent he undoes the harm he perpetrated when he raised the tariff on Swiss watches.

Watches are a major source of United States dollars for the Swiss. They use them to buy the things we grow and make over here. Maryland tobacco is one of their largest purchases. Last year they bought nearly 6,000,000 pounds of it for about \$3,000,000, most of which went into the pockets of southern Marylanders.

If the higher tariff keeps the Swiss from getting dollars through the sale of watches, they can hope to improve the situation a little by the sale of dolls. President Eisenhower's chance purchase means just that to the Swiss. Maryland tobacco growers will get the point, no matter what Mr. Rosenstein's association may think.

A Vote Based on Misgivings

EXTENSION OF REMARKS OF

HON. AUGUST E. JOHANSEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 1955

Mr. JOHANSEN. Mr. Speaker, the legislator's task is always easier and pleasanter when he can cast his vote on the basis of strong, affirmative convictions.

Sometimes, unfortunately, it is necessary for him to base a vote on his misgivings, and even worse, to be forced to choose between opposing misgivings.

Yesterday I voted, along with 66 other Republicans, against the Harris natural gas bill. This bill—which passed the House 209 to 203—would exempt producers of natural gas from Federal rate regulation. In doing so I was compelled to choose between opposing and serious misgivings.

On the one hand were the basic misgivings which I have with respect to Federal controls, particularly price or rate controls—including my fundamental distrust of bureaucratic control of the free-enterprise system, opposition to the malicious anti-business bias so often exhibited in Washington since 1933, and a fundamental belief that competition rather than government is the best economic policeman.

On the other hand, on this particular issue, I have serious misgivings as to whether, in the case of production of natural gas, competition can be an adequate policeman of rates and an effective guardian of the interests of the consumer—both the home user and the industrial user of natural gas.

State control of rates charged for natural gas sold by producers and gatherers in the field to pipeline companies for interstate distribution is barred by court decisions. Moreover in this case the competition is between buyers—the pipeline companies—and not between the sellers—the producers. Competition between buyers tends to increase the price to the buyer, and therefore to increase the price to the ultimate consumer, and so

is not an effective policeman, as is the case when the competition is between sellers.

Federal rate control is generally accepted by all parties to this dispute as necessary and unavoidable so far as the pipeline companies are concerned. Even the Harris bill, which seeks to remove the producers from rate control by the Federal Power Commission, contains a provision designed to limit the amount which the pipeline companies could pay the producers. But there was deep divergence of opinion as to whether the provisions in the bill provide an adequate restraint on prices which can be paid to producers and passed on to the consumer. And there were serious doubts as to whether these provisions offered safeguards against a markup in the price of the accumulated natural-gas reserves of the pipeline companies—a markup which could yield a rich bonanza to these companies.

The closeness of the vote in the House indicated the grave uncertainties, pro and con, in this highly controversial issue. It is worth noting that the bill was reported out by the House Committee on Interstate and Foreign Commerce by a margin of only one vote. Moreover the Rules Committee voted to send the bill to the floor of the House by only one vote. In every instance, there was a sharp cleavage of sentiment among both Republicans and Democrats.

Since the basic principle of Federal rate control of the cost of natural gas to the ultimate consumer is generally accepted as necessary and sound, and since there was serious doubt in my mind as to whether adequate control and protection of the consumer against price gouging is provided in the Harris bill, I resolved my conflicting misgivings in favor of what I believe to be the legitimate interests of the consumer.

During the campaign last year I repeatedly said that I was deeply concerned about two kinds of human greed—the greed for unconscionable financial gain and the greed for political and governmental power. The issues posed by the Harris bill controversy touched on the human possibilities of both kinds of greed. Striking a balance of proper controls on each of these kinds of greed is a difficult, trial-and-error process.

The So-Called Refugee Act

EXTENSION OF REMARKS OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. WALTER. Mr. Speaker, the agitation in behalf of the so-called Refugee Act, precipitated by President Eisenhower's requests for still greater leniencies, unmasks the act for what it is: a fraudulent gesture of political hypocrisy.

For all its purported humanitarian aims, the act is a crudely concocted piece of old-fashioned pork-barreling on an international level. By itself and in combination with the proposals for revision it represents a clear and dangerous attempt to circumvent the carefully constructed legislation which now stands as this Nation's basic policy on immigration.

The people of the United States were duped when they were told of its need. The fact is that during the past 3 years, immigration pressures from the outside

Those Swiss Dolls and Southern Maryland Tobacco

EXTENSION OF REMARKS OF

HON. RICHARD E. LANKFORD

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. LANKFORD. Mr. Speaker, under leave to extend my remarks, I should like to include in the RECORD an editorial from the Baltimore Morning Sun of July 28, 1955.

The editorial follows:

THOSE SWISS DOLLS AND SOUTHERN MARYLAND TOBACCO

Mr. David Rosenstein, president of the National Association of Doll Manufacturers, has protested to President Eisenhower because of those Swiss dolls he bought in Geneva last week. As a publicity stunt, Mr. Rosenstein's protest has some merit. It

July 30, 1955

deny a license to any applicant who has been involved in bankruptcy proceedings within 3 years unless the applicant furnishes a bond or other assurance, empower the Secretary to suspend the license of a person who employs in any responsible position an individual whose license is under suspension, and provide authority for the inspection of any perishable commodity covered by the Act (pp. 10590-1).

Passed as reported S. 1757, to amend the Agricultural Marketing Act of 1946 so as to remove any question which may have resulted from a change in appropriation language as to the applicability of penalties for forgery of inspection certificates covering agricultural commodities, and to expand and tighten provisions for such penalties (p. 10607).

The Agriculture Committee reported without amendment H. R. 4054, to provide for loans for development of central market facilities to handle perishable agricultural commodities (H. Rept. 1602)(p. 10677).

50. FARM LOANS. Passed without amendment S. 1758, to amend the Bankhead-Jones Farm Tenant Act relating to the insurance of farm real estate mortgages so the mortgages can be made directly to the Government instead of to the banks (pp. 10593-4). This bill will now be sent to the President.

Passed as reported S. 1621, to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed under or subject to the Wheeler-Case Act of 1939 (p. 10655).

51. RESEARCH. Passed as reported S. 1759, to consolidate authorization legislation regarding Federal aid to State agricultural experiment stations (pp. 10594-6).

52. COMMODITY EXCHANGES. Passed without amendment S. 1051, to amend the Commodity Exchange Act so as to authorize increases in fees and charges for registrations and renewals and for copies of registration certificates (p. 10601). This bill will now be sent to the President.

53. TRADE DEVELOPMENT. Passed without amendment S. 2253, to reemphasize trade development as the primary purpose of title I of Public Law 480, 83d Congress; to increase the funds available under that title from \$700 million to \$1.5 billion; and to authorize the Secretary of Agriculture to determine the nations with whom agreements will be negotiated, and the quantities and commodities involved (pp. 10601-2). This bill will now be sent to the President.

54. EXTENSION WORK. Passed as reported S. 2098, to authorize special appropriations for extension work among low-income farmers (pp. 10612-13).

55. DEFENSE PRODUCTION. Passed with amendment S. 2391, to amend and extend the Defense Production Act. Several amendments, to prohibit without-compensation employees, were rejected. House and Senate conferees were appointed. (pp. 10620-30, 10774-5).

56. SUGAR. Passed, 194 to 44, with amendments H. R. 7030, to amend and extend the Sugar Act of 1948 (pp. 10630-51). Agreed, 123-37, to an amendment by Rep. Dixon to strike out Sec. 20 of the committee version, which provides that sugar shall be supported at 90% of parity through loans, purchases, or other operations (pp. 10645-51). Agreed to an amendment by Rep. Laird to strike out provisions directed at Peru and the Philippines (pp. 10644-5).

57. SUPPLEMENTAL APPROPRIATION BILL, 1956. Both Houses agreed to the conference report on this bill, H. R. 7278, and acted upon amendments in disagreement (pp. 10554-9, 10733-5). This bill will now be sent to the President. A statement on the USDA items is attached to this Digest.

38. INTERGOVERNMENTAL RELATIONS. Sen. Butler inserted a newspaper article favoring Federal collaboration with State and local governments (p. A5627).
39. COOPERATIVES; TAXATION. Rep. Cooper inserted a letter from the Secretary of the Treasury suggesting that the legislation on income taxation of cooperatives be tightened (pp. A5632-3).
40. ELECTRIFICATION. Sen. Bender inserted an address by J. B. Black favoring a Government-private "partnership" in the power development of the West (pp. A5636-8).

BILLS INTRODUCED - July 29

41. CLAIMS; APPROPRIATIONS. S. 2678, by Sen. Smith, N. J., "relating to the payment of certain claims against the Government where the appropriations therefor have lapsed"; to Government Operations Committee (p. 10341). Remarks of author (pp. 10341-2).
42. MARKETING. S. 2634, by Sen. Ellender, "to facilitate the marketing of agricultural commodities"; to Agriculture and Forestry Committee (p. 10341).
43. ACCOUNTING. S. 2677, by Sen. Smith, N. J., "to relieve certain officers of financial liability except in cases of gross negligence or fraud"; to Government Operations Committee (p. 10341). Remarks of author (pp. 10341-2).
44. ROADS. H. R. 7729, by Rep. Dempsey, to authorize road appropriations; to Public Works Committee (p. 10466).
45. LAND TRANSFER. H. R. 7723, to authorize the Secretary of Agriculture to convey certain lands in Phelps County, Mo., to the Chamber of Commerce of Rolla, Mo.; to Agriculture Committee (p. 10466).
46. CONSERVATION. H. J. Res. 415-425, to provide for observance of the 50th anniversary of the founding of the conservation movement for natural resources; to Judiciary Committee (p. 10467).
47. PERSONNEL. H. J. Res. 426, by Rep. Moss, to authorize the President to proclaim as Civil Service Week the week beginning Jan. 17, 1956, in commemoration of the 73rd anniversary of the American civil-service system; to Judiciary Committee (p. 10467).

HOUSE - July 30

48. SOIL CONSERVATION. Passed without amendment S. 1167, to permit ACP payments to persons who carry out conservation practices on federally owned noncropland which directly conserve or benefit nearby or adjoining private lands of such persons (p. 10589). This bill will now be sent to the President.
Passed without amendment H. R. 7236, to permit approval of water conservation practices under ACP in any State instead of "in arid or semiarid sections" (p. 10592).
49. MARKETING. Passed with amendments H. R. 5337, to amend the Perishable Agricultural Commodities Act so as to strengthen the provisions relating to misbranding or misrepresentation of grade and origin of fresh fruits and vegetables, increase the maximum annual license fee from the present \$15 per year to \$25, permit the Secretary of Agriculture to deny issuance of a license to any person convicted of a felony in any State or Federal court, authorize the Secretary to

sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1957."

SEC. 10. The Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, is amended by adding at the end thereof the following new section:

"SEC. 26. (a) Notwithstanding the second sentence of section 7 (a), the period for receipt of proposals for the purchase of the Government-owned rubber-producing facility at Institute, W. Va., known as Plancor No. 980, shall not expire until the end of the 60-day period which begins on the date of the enactment of this section.

"(b) If one or more proposals are received for the purchase of Plancor No. 980 within the time period specified in subsection (a), the Commission, notwithstanding the expiration of the period for negotiation specified in section 7 (f), shall negotiate with those submitting the proposals for a period not to exceed 75 days for the purpose of entering into a definite contract of sale.

"(c) Within 10 days after the termination of the actual negotiation period referred to in subsection (b) or, if Congress is not then in session, within 10 days after Congress next convenes, the Commission shall prepare and submit to the Congress a report containing, with respect to the disposal under this section of Plancor No. 980, the information described in paragraphs (1) to (5), inclusive, and paragraph (8) of section 9 (a). Unless the contract is disapproved by either House of the Congress by a resolution prior to the expiration of 30 days of continuous session (as defined in section 3 (c)) of the Congress following the date upon which the report is submitted to it, upon the expiration of such 30-day period the contract shall become fully effective and the Commission shall proceed to carry it out, and transfer of possession of the facility sold shall be made as soon as practicable but in any event within 30 days after the expiration of such 30-day period. The failure to complete transfer of possession within 30 days after the expiration of the period for congressional review shall not give rise to or be the basis of rescission of the contract for sale.

"(d) If, upon termination of the transfer period provided for in subsection (c), no contract for the sale of Plancor No. 980 has become effective, the operating agency last designated by the President shall continue to maintain said plancor in adequate standby condition under the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953."

SEC. 11. Notwithstanding the provisions of section 4 (d) of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Producing Facilities Disposal Commission (hereinafter referred to as the "Commission") before submission to the Congress of its report relative to Plancor No. 980, shall submit it to the Attorney General, who shall, within 7 days after receiving the report, advise the Commission whether, in his opinion, the proposed disposition, if carried out, will violate the antitrust laws.

SEC. 12. Notwithstanding the provisions of sections 14 and 22 of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Act of 1948, as amended, is hereby extended with respect to the rubber-producing facilities covered by this act, to the close of the day of transfer of possession of Plancor No. 980 to a purchaser in accordance with the provisions of section 26 of the Rubber Producing Facilities Disposal Act.

SEC. 13. Notwithstanding the provisions of section 4 of Public Law 19, approved March 31, 1955, and notwithstanding the provisions of section 20 of the Rubber Producing Facilities Disposal Act of 1953, the Commission established by the latter act shall cease to exist at the close of the 30th day following the termination of the transfer period provided for in section 26 (c) of that act, unless, no sale of Plancor No. 980 is recommended by the Commission pursuant to section 26 (c)

of that act, in which event the Commission shall cease to exist at the close of the 130th day following the date of enactment of this act.

SEC. 14. Except as otherwise provided in this act, disposal of Plancor No. 980 shall be fully subject to all the provisions of the Rubber Producing Facilities Disposal Act of 1953 and such criteria as have been established by the Commission in handling disposal of other Government-owned rubber-producing facilities under that act: *Provided*, That the provisions of section 7 (j), 7 (k), 9 (d), 9 (f), 10, 11, 15, and 24 of that act shall not apply, to the disposal of Plancor No. 980. As promptly as practicable following the date of transfer of possession of Plancor No. 980 to a purchaser under this act, the operating agency last designated by the President shall offer for sale to such purchaser the end products at such plant and held in inventory for Government account on the day of such transfer of possession, together with the feedstocks then located at such plant or purchased by the operating agency for use at such plant. Sale of such end products shall be made at the Government sales price prevailing on the business day next preceding the date of transfer of possession of such plant. Sale of such feedstocks shall be made at not less than their cost to the Government. In the event the purchaser declines to purchase such end products or feedstocks when first offered to it by the operating agency, they may be thereafter disposed of in such manner as the operating agency deems advisable. In the event Plancor No. 980 is not sold under the provisions of this act, any end products at such plant and held in inventory for Government account and any feedstocks located at such plant or purchased by the operating agency for use at such plant shall be disposed of in such manner as the operating agency deems advisable, at the prevailing market price for such end products and feedstocks.

SEC. 15. The provisions of this act shall not be applicable to the disposal of any Government-owned rubber-producing facilities other than Plancor No. 980; and all action taken pursuant to the provisions of the Rubber Producing Facilities Disposal Act of 1953, or the amendment thereto known as Public Law 19, enacted March 31, 1955, prior to the enactment of this act shall be governed by the provisions of that act as it existed prior to the enactment of this act and shall have the same force and effect as if this act had not been enacted.

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause and insert the provisions of H. R. 7470 as passed, as follows:

"That this act may be cited as the 'Defense Production Act Amendments of 1955.'

"SEC. 2. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided*, That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

"SEC. 3. Section 708 of the Defense Production Act of 1950, as amended, is amended—

"(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: '*Provided, however*, That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President of his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within 90 days after the enactment of the Defense Production Act Amendments of 1955.'

"(2) by inserting in subsection (d) thereof after the word 'hereunder' the following: ', or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based;'

"(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: 'Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section;'

"(4) by striking out from the last sentence of subsection (e) thereof the words 'at such times thereafter as he deems desirable' and inserting in lieu thereof the words 'at least once every 3 months.'

"SEC. 4. Section 710 (b) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation;

"(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies:

"(i) So far as possible, operations under the act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

"(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

"(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

"(3) Any person appointed under the authority of this subsection shall file, under

oath, with the head of the employing agency at the time of employment a full and complete report of his outside connections, listing all personal and financial relationships which he has or had within 12 months prior to his appointment with any person, firm, corporation, or other entity, or any trade organization, labor union or similar organization, and he shall file monthly thereafter, under oath, so long as his appointment shall be in effect, any changes in such outside connections.

"(4) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"(5) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—

"(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, under the provisions of the act made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of 2 years after the termination of such employment; and

"(iv) exemption hereunder shall not extend to the receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

"(6) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

"(i) that the appointment is necessary and appropriate in order to carry out the provisions of the act;

"(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

"(iii) that the appointee has the outstanding experience and ability required by the position; and

"(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

"(7) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer.

"(8) At least once every 3 months the Chairman of the United States Civil Service

Commission shall survey appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper.

"SEC. 5. Section 712 of the Defense Production Act of 1950, as amended, is amended—

"(1) by seeking out '25' from the second sentence of subsection (c) thereof and inserting in lieu thereof '40'; and

"(2) by striking out '\$50,000' in the first sentence of subsection (e) thereof and inserting in lieu thereof '\$65,000'.

"SEC. 6. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out 'July 31, 1955' from the first sentence of subsection (a) thereof and inserting in lieu thereof 'June 30, 1956.'

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and the bill H. R. 7470 were laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 2391 with an amendment of the House, insist on the amendment of the House, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, RAINS, WOLCOTT, GAMBLE, and TALLE.

INVESTIGATION BY COMMITTEE ON WAYS AND MEANS

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I offer the following privileged resolution (H. Res. 331, Rept. No. 1601) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the Committee on Ways and Means, acting as a whole or by subcommittee, is authorized and directed to conduct thorough studies and investigations of all matters coming within the jurisdiction of such committee.

SEC. 2. For the purposes of this resolution, the committee, or any subcommittee thereof, is authorized to hold such hearings, to sit and act during the present Congress at such times and places, within the continental United States, its Territories and possessions, as the committee may determine, whether or not the House is in session, has recessed, or has adjourned, to require the attendance of such witnesses and the production of such books, papers, and documents by subpoena or otherwise, to administer such oaths, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or of any subcommittee, or by any member designated by any such chairman, and may be served by any person designated by any such chairman or member.

SEC. 3. The committee may report to the House at any time during the present Congress the results of any studies or investigations made under authority of this resolution, together with such recommendations as it deems appropriate. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

The resolution was agreed to.

REVISION AND EXTENSION OF SUGAR ACT OF 1948

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7030 with Mr. DAVIS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 30 minutes and the gentleman from Kansas [Mr. HOPE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 29 minutes.

Mr. Chairman, our committee is about to present to this House one of the most complicated pieces of legislation that the House has ever been called upon to consider. It is of far-reaching importance. The time for presenting this complicated bill to the House is very limited. I have at my disposal only 30 minutes, which is a rather short time to present a bill of this importance to the House, when our committee has worked diligently on the bill for more than a month, with meetings in the morning and in the afternoon. I know I have never worked harder on any bill that has been reported from our committee during my service on the committee than I have on this bill. It affects people in far-distant places and it vitally affects every one of your constituents.

In presenting the matter to the Rules Committee, knowing that the Rules Committee was pressed for time just as we are pressed for time, I stated to that committee that I would not undertake to discuss the details of this complicated program, and unless there is some real demand for a detailed discussion of the program we are now presenting, I should like very much to avoid a discussion of those details, if possible.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. When does the present law expire?

Mr. COOLEY. The present law was rewritten in 1951 and it expires in December 1956.

Mr. GROSS. Then why is the bill here at all today?

Mr. COOLEY. I am glad the gentleman asked me that question. I will be very glad to answer it.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. MORANO. No hearings have been printed on this bill; is that so?

Mr. COOLEY. Unfortunately, that is true.

Mr. MORANO. How do we know what transpired in the hearings?

Mr. COOLEY. I will tell the gentleman if he will give me a chance.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. DONDERO. Does this further restrict the quotas allowed to the growers of sugar in this country?

Mr. COOLEY. No.

Mr. CHUDOFF. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. CHUDOFF. The gentleman said he did not want to go into details. In Philadelphia we have two big sugar refineries that refine practically all of the Cuban sugar that comes into this country. I am told by men who work in that factory that this is going to cut off Cuban sugar completely. They will have to close up their refinery if that is so. I would like to know whether that is true or not.

Mr. COOLEY. If the gentleman will let me proceed with my statement, I think I can save time, and I will try as best I can to explain the bill. I have no desire to avoid a discussion of the details of the bill, but I do want to say, in the first place, the information that the gentleman has received is entirely inaccurate.

We have before us the proposition of dividing 8,400,000 tons of sugar.

That sugar is divided among our domestic producers, the beet area, the sugarcane area, Puerto Rico, Hawaii, and then we provide an allotment for the Philippines, for Cuba, for Mexico, for the Dominican Republic, for Peru, Haiti, Panama, and so on. Representatives of every country and area participating in this program have been very active in behalf of the particular area in which they are interested.

This town has been literally throbbing with lobbyists and lawyers. I was urged to start these hearings, and I was reluctant to do so because I knew just how controversial this matter is.

When the bill was presented to this House in 1951 by our committee, it was only briefly discussed, because when all these various groups came to me for hearings I insisted that they themselves try to reach an agreement, and, they did just that. So, when the bill was presented here, I doubt if a single Member of the House even remembers the occasion. It was adopted, and we proceed to live with it and under it until our own domestic growers, because of no fault of their own, found themselves with a burdensome surplus, and when this Congress convened a bill was introduced in the other body which was supported by 49 Senators. More than 30 bills were introduced in this House and referred to our committee. I mention that only to show you the interest in this legislation.

Then a meeting was called at the White House and some 40 to 45 Senators and Congressmen attended the meeting with the President. At that meeting the

President was advised of the fact that this law would not expire until December 1956 but that notwithstanding that expiration date this Sugar Act should be opened up to the end that the domestic producers might be given some relief. At that meeting I think the President said something like this:

I realize that it is better to write this sort of legislation in advance of the year in which it goes into operation. I appreciate the fact that we should have conferences.

I am not trying to quote the President, but this is the substance of what he said:

And I will call it to the attention of the Secretary of Agriculture. But—

He said—

the State Department should be in the conferences and we should not run out on any agreements.

That is the first time I had ever seen that many Members of Congress together, none of whom wanted to talk. Not another word was said, and we left the White House. No one asked the President what he meant when he said we should not run out on agreements. We all knew what he meant when he said the State Department should be in on the conferences. I interpreted what he said to mean that he regarded the sugar law somewhat in the nature of an international agreement with Cuba. Of course, it is not an international agreement. We know we have a perfect right legally and morally to change any law we enact. This law we are asking you to accept today can be changed tomorrow if Congress decides to exercise its will. So, the pressure was terrific not to open up the act, not to schedule hearings, and, on the other hand, the pressure was terrific to open up the act and to schedule hearings.

All these bills were pending in our committee. Finally, in April I asked the Secretary of Agriculture, Mr. Benson, the Department of State, and the Department of the Interior for a report on these bills. The Department of the Interior, of course, is interested because of the Territories. Although I asked for the reports in April, we did not receive a report. Weeks came and went. Finally, on the 22d day of June, we started these hearings. I was so certain that we would find ourselves deadlocked in a great controversy, that we would only consume 2 or 3 days and then perhaps call off the hearings. But after the hearings were started, the officials of the Departments, in testifying before our committee, when they were reminded of the fact that they had not reported on any of these bills, they finally brought in a report. When we received the report and the bill which was proposed by the administration, it was in language difficult to understand.

So I asked that the formula be broken down into tonnages so that our committee could deal with figures and facts concerning the different areas. That was done. We were presented with a chart. When we received the chart showing the tonnages, it was easy to understand what had been done.

The Department of Agriculture took the position that in dealing with for-

foreign countries the State Department should exercise its judgment as to the quotas for those foreign countries. Agriculture made its recommendations with regard to the domestic areas, and the two Departments concurred in the result.

When that chart was presented and understood, apparently everybody was dissatisfied. I know that members of our committee approached the performance of their duty impartially and with open minds and in an effort to accomplish something that would be as acceptable to the administrative branch as possible and something that would be equitable among all of the areas.

So we started with the proposal from the Department, and all of us were determined to stick as closely as we possibly could to the recommendations of the administration, but not do violence to ourselves and our own judgment and to other areas.

While we gave careful consideration to the bill recommended by the executive branch we claimed for ourselves the right to prepare and present a bill which we considered to be fair, just, and equitable.

The bill presented to us called for a 55-45 division of the consumption in the American market. We started out with 8,400,000 tons. The departments recommended that we give our own producers 55 percent of that and the other 45 percent of our consumption to Cuba and to other foreign countries. They went further than that and took it upon themselves in the Department of State to say that in the distribution of the 45 percent of our total consumption among Cuba and foreign countries, it should be divided 60 percent to Cuba and 40 percent to the full duty countries.

Our committee again exercised its own will and we changed the figures of 60-40 to 50-50—and we changed the 55-45 to 50-50. And then we claimed for ourselves the right to make other arbitrary decisions.

This matter was presented to us as if there were something sacred about the formula that had been worked out in the bill. I pointed out to the officials that they had made at least 20 arbitrary decisions and determinations before they arrived at their formula.

We certainly have a right to make some arbitrary decisions ourselves. We tried to satisfy as many people as we could and to do as little harm as possible to any particular area, because in dividing this up we could only give away that which we could take away from somebody else. So we started out with this: The Department had taken away from Cuba 100,000 tons of sugar and had given it to our domestic producers. The Department had recommended 977,000 tons of sugar for the Philippines, and that was an arbitrary decision. The Department had suggested that the Philippine quota be frozen through the life of the bill. That was an arbitrary decision, and we accepted all of these arbitrary decisions.

Naturally, every group affected was asking for an increased quota. The refiners from Houston to Boston were interested in this legislation. The refiners of sugar in Puerto Rico wanted to in-

crease their refined sugar quota. So the committee—with all these problems before us, and I say that I do not want to discuss the details of the act because if I do I will never be able to tell you what I want to tell you about the bill—started out to do the best job we could.

First, after giving 100,000 tons to our domestic producers and fixing the Philippine quota at a fair level of 977,000 tons, the Hawaiian Islands are perfectly satisfied because they have a quota large enough, they think, to take care of their needs. Puerto Rico has been willing to accept what we have provided in this bill for Puerto Rico, although it is far short of its wants. Puerto Rico would like to have an increased quota. Puerto Rico would like to have an increased raw sugar quota and an increased refined sugar quota.

Mr. SIMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SIMPSON of Illinois. Now that the chairman of the Committee on Agriculture has explained the bill, I wonder if he would admit that the sugar legislation is just as confused as the road legislation was last week.

Mr. COOLEY. I will admit this House will really be confused if they try to know all that is in this bill. It is something you almost are forced to accept upon faith. I think you are justified in accepting it upon faith because this sugar program has been in operation for 20 years, and I am certain that some of you ladies and gentleman who are listening to me now did not know that. I have made speeches in city districts and throughout this country and I have said to many audiences, "People denounce the farm program, but here is one part of our program that no one denounces." The program has operated so well, so successfully, and so smoothly, that the average housewife is not even aware of the fact that we have a sugar program. Even the average Congressman is unaware of the fact that we have a sugar program. But we have it. It has operated well, and under the program, prices have been stabilized through the years. We have avoided great fluctuations in prices even in war, World War II, the Korean war, and otherwise. On this program at the end of this year this sugar program will result in a net profit to the taxpayers of America of more than \$300 million.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. In addition, at this time the Government does not own one single dollar's worth of sugar.

Mr. COOLEY. The gentleman is right. If a program has operated so well so long, that is justification for your accepting this program today on faith.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Maine.

Mr. HALE. Am I correct in understanding that the general effect of this legislation is to cut down the importations from Cuba in favor of importations

from other Western Hemisphere countries?

Mr. COOLEY. No. If I can hurry on, I think I can tell you what we did.

I would just like to say this, and I think I am right. There are men here who can correct me if I am wrong. There are people on this floor from the beet-sugar-growing areas. We have some distinguished Members from the Congress on the committee from the beet-producing districts. They are here to speak for themselves. But I think I am safe in saying to you that they are satisfied with this bill, and that those from the cane-sugar-producing areas are also satisfied with the bill. The people in Hawaii are satisfied with the bill. Puerto Rico is satisfied with it. All of the full-duty countries are satisfied with it. I think I am safe in saying that the refiners of America are satisfied with it, and if they are not, they can speak for themselves. When I say they are satisfied, I mean there is general satisfaction with the bill. I do not mean as we have presented it and as it is here now, because there are some controversies involved. There is a section here that deals almost directly with the Philippines because the Philippines have discriminated against us in their own Congress. They have enacted a law and have named the American Virginia type of tobacco by name, and they by their congressional action have driven us out of their markets and have unfairly discriminated against us. That act is still on their books. So we put this provision in this bill, and I will say here and now that it is directed at the Philippines because of that unfair law which they enacted against us, which is nothing more or less than a gratuitous insult to the American flag, because even if the law were repealed tomorrow, we could not force them to buy tobacco. They have provided by law that their manufacturers cannot buy our tobacco. I have discussed this matter with many people and I have agreed that when the amendment is offered to strike out that section, I will accept the amendment and let the section be stricken out.

I understand the gentleman from Massachusetts [Mr. McCORMICK] will offer the amendment, but I am saying here now, and I want to make it clear, that the Congress of the Philippines can repeal their law just as quickly as we can withdraw this amendment, and if they do not do it, I am saying now that I will bring a bill out of my committee in January to prevent any further discriminations against any agricultural commodities produced in our country.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GROSS. The gentleman has already answered one question that I had, but I do have another question. I should like to ask the gentleman whether this bill was well supported in committee.

Mr. COOLEY. Oh, yes; I will say that but for one section in the bill I have reason to believe that the vote in the committee would have been unanimous or almost unanimous. The section I refer to is the section providing for nonre-

course loans. We do provide here for relief—not only should we provide immediate relief for our domestic producers, but we should give domestic producers the benefit of nonrecourse loans at a level of 90 percent of parity. I am certain that an amendment will be offered to strike this provision out. I still believe it should be retained. But if the producers do not want it, and if the Congressmen representing those districts in which sugar is produced do not want it, I certainly shall not attempt to force a loan program upon them. I understand my good friend, the gentleman from Utah [Mr. Dixon], will offer an amendment to strike out this provision for nonrecourse loans.

Mr. GROSS. I was in hopes that somebody from that area of the country would offer an amendment to strike it out, because certainly most of them from the Rocky Mountain area voted against 90 percent of parity for Midwestern agriculture.

Mr. COOLEY. That is exactly the reason why the gentleman from North Carolina is not willing to take it out. I want them to take it out, if it is to be taken out.

Mr. BELCHER. I think you have cleared up the question I wanted to ask, that is that the two controversial sections of the bill of the 90 percent and the Philippines, and my understanding is that the gentleman is not opposed to taking them out.

Mr. COOLEY. No, but I want these 82½-percenters to take it out; I do not want to take it out myself.

One other thing about the State Department. The State Department is objecting to the bill as it affects Peru because Peru would be greatly handicapped in negotiations in connection with the International Sugar Agreement if that provision is retained in the bill. The Peruvian representative, a very distinguished Washington lawyer, came to me and pointed out that Peru would be handicapped by this provision and would go to the next international sugar conference handcuffed and would be unable to negotiate at arms length and on a fair basis with other countries. I shall therefore, offer an amendment to strike out this provision.

Mr. SIMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SIMPSON of Illinois. I wonder if the gentleman from North Carolina would tell the House what the average acre subsidy is.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. COOLEY. Mr. Chairman, if nobody objects I will take 3 additional minutes.

Mr. Chairman, I would just like to say to my good friend from Illinois that it would take too much of the time of the House to answer the gentleman's question, because the subsidy per acre varies in different areas.

Mr. SIMPSON of Illinois. Would the gentleman admit that it averages better than \$40 an acre in the United States?

Mr. COOLEY. I have the figures and assure the gentleman I will put them in, but I think the gentleman is very modest in the figure he uses.

Mr. SIMPSON of Illinois. It will average more than \$42 an acre in the United States.

Mr. COOLEY. Probably so. But when you think about voting against this bill, just think what the situation would be if you did not have this bill.

Mr. SIMPSON of Illinois. I did vote against the bill.

Mr. COOLEY. I am surprised at the gentleman.

Mr. SHEEHAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SHEEHAN. One of the objections that has been made has been to the use of 1947 as a factor in the computation of price.

Mr. COOLEY. That has been taken out. That is something that will probably afford some relief to the industrial users and I assume that is what the gentleman has in mind.

Mr. SHEEHAN. That is right.

Mr. COOLEY. Not only that, but also the formula is modified in the way the gentleman has indicated. Furthermore, any time that the Secretary thinks sugar prices are too high he can authorize the bringing in of more offshore sugar and that itself would tend to put prices down.

Mr. SHEEHAN. Was it not proposed that instead of using 1947 as a base, 1947-49 be used as a base?

Mr. COOLEY. Certainly. That is correct, and that is the provision we approved.

Mr. SHEEHAN. What advantage or disadvantage does it give?

Mr. COOLEY. My recollection is a reduction of about 80 cents a ton.

Mr. SHEEHAN. You mean it reduces the total.

Mr. COOLEY. The price would go down that much.

Mr. SHEEHAN. However, if the Secretary of Agriculture should use this as a factor in getting at the prices does not the gentleman think it would get close to 105 or 110 percent of parity, using 1947-49 as a factor?

Mr. COOLEY. Actually, if the Secretary should carry out the full effect of the formula written in the Sugar Act the price of sugar would be substantially higher, I think probably a cent or a cent and a half a pound.

Mr. SHEEHAN. It would simply mean that regardless even if the 90 percent factor is taken out, if the Secretary of Agriculture goes to 1947-49 base, the price of sugar will be 105 or 110 percent of parity, and this would mean that sugar was in the most favored position of any agricultural product.

Mr. COOLEY. It is now and always has been.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I have but 2 minutes remaining, but I will yield to the gentleman.

Mr. JOHNSON of California. Referring to the gentleman's statement of what the situation would be if we did not

have a law, in 1920 when I was married we paid 32 cents a pound for sugar. Ever since then, in my experience, it has not gone over 8½ cents a pound. That is what the sugar law did.

Mr. COOLEY. You cannot live without the act, because you would actually crucify all the domestic producers.

Mr. MORANO. But the law expires in December of 1956.

Mr. COOLEY. I wish that I had the time, for I would be glad to go over the facts and show exactly what we have done for Cuba.

Mr. MORANO. I am thinking about the United States right now.

Mr. COOLEY. Take the State Department bill and our bill, and at the end of the 4-year period Cuba has only given up about 11,000 tons of sugar more than she would have to give up under the State Department bill.

Mr. MORANO. That may be true, but I am thinking about the things that Cuba buys from the United States.

Mr. COOLEY. Well, what about Mexico? Mexico buys more from us than Cuba and all the full duty countries put together.

Every sugar-producing area and all the problems of all of those areas were carefully considered by members of our committee in our efforts to deal fairly and justly with the people from all of the sugar-producing areas participating in this program. Hearings started June 22 and ended July 21. Twenty meetings of our committee were held. More than 1,300 pages of testimony was taken and numerous lengthy statements were presented to the committee and inserted in the record. More than 100 witnesses testified, and hundreds of letters and telegrams were received and considered. Numerous charts and documents were analyzed, and many formulas were considered. The one purpose of our committee was to act impartially and to do justice among all friendly areas participating in this program.

Mr. HAYS of Arkansas. Mr. Chairman, I appreciate the hard work of the Committee on Agriculture in response to the appeal of representatives of sugar-producing areas, but it is to be regretted that the involved relationship between the economic problems dealt with in the pending bill and those of other countries, particularly of Cuba, have not received greater emphasis. Our own welfare requires it, and I trust that in the periodic reviews which this legislation will receive we may be able to devise an acceptable policy with reference to the importation of Cuban sugar. Undue restrictions in the Cuban quota create new problems for us since Cuba's interests are so closely tied to our own. I think of this illustration, Mr. Chairman. Cuba, having a high per capita rice consumption, is one of our best customers for American rice, but because her sugar markets here are not permitted to expand the Cuban people are not purchasing our rice in quantities they would normally use. As a result they are forced to turn land to rice cultivation for their own use which is uneconomic from every standpoint. Sugar and rice are vital elements in the

island's economy. Granting that much depends upon the wisdom and foresight of Cuba's own policymakers, it is evident that economic difficulties in Cuba and the Caribbean react upon our own domestic situations. Ultimately we must weigh this interrelationship.

As chairman of the subcommittee on foreign economic policy of the House Foreign Affairs Committee, I urge the Agriculture Committee members to take into account the economic factors which I have briefly described.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it is true, as the distinguished chairman of the Committee on Agriculture has stated, that it is impossible in the time allotted to discuss all the details of this legislation. However, this is legislation which has been before the Congress ever since 1934. We passed legislation that year; in 1937 we amended it somewhat; the 1937 legislation was extended several times. We passed legislation in 1948 and in 1951, all of which embodied essentially the same principles that are contained in this legislation and which did not differ a great deal from this legislation except in the distribution of sugar consumption to the various producing areas. The basic theory of the legislation has been the same since 1934.

The problem that committee faced and which the House faces in considering this legislation is making as fair a distribution of sugar production to the various producing areas as it is possible to do. I believe that the committee has done a good job, not just as I would have it if I were writing it, not just as you would do it, perhaps; but when you consider that we have every producing area asking for more production than it is now receiving and more than we can possibly give, you can understand, of course, that no one is going to be entirely satisfied with a bill of this kind. It is impossible to satisfy everyone.

For a number of years going back to the beginning of the war, and up until last year, we had no particular problem as far as taking care of domestic sugar producers was concerned, because, owing to the competition of other crops, domestic quotas on the mainland were not filled. In fact, in 1948 following the war years, the sugar producers of this country voluntarily gave up their share of any increase in domestic production in favor of Cuba and other foreign countries. But in the period which has elapsed since that time, during which we have had a constantly increasing demand for sugar acreage in this country, due to the fact that we have a surplus of almost every agricultural commodity, it has come about that the sugar-producing areas on the United States mainland and in Puerto Rico need more sugar acreage and production. This situation is particularly acute in the mainland cane areas in Louisiana, and Florida, and it exists to a considerable degree also in the beet sugar producing areas of the country.

This situation has become so difficult that in the mainland cane areas a sur-

plus of sugar has accumulated to the extent that unless some relief is afforded this year there will be no market for a large percentage of the cane sugar production in 1955.

Now, the same position does not prevail as to beets, but there are more than normal carry-overs of beet sugar, also. The way this bill attempts to solve that problem is to provide that for 1955 authority will be given to purchase 100,000 tons of sugar for foreign relief distribution. This 100,000 tons will be purchased from the supplies already on hand and will, to that extent, relieve the congested situation.

Then for the year 1956 we amend the present law, which will still be in effect in 1956, by providing for a division between the domestic producers and the foreign producers of the increase in production above 8,350,000 tons of sugar, and we provide for a division of that sugar on the basis 50 percent to domestic producers and 50 percent to foreign producers. Of the domestic 50 percent—45.2 percent will go to domestic beet producers, 42.6 to domestic cane producers, and 10.6 percent to Puerto Rico and a small percentage to the Virgin Islands. The 50 percent going to foreign countries will be divided 96 percent to Cuba and 4 percent to the full duty countries. This is for the year 1956. Beginning in 1957 domestic producers will be given 50 percent of the increase in domestic consumption, which is estimated to be about 135,000 tons per year. Foreign producers, excluding the Philippines, will be given the other 50 percent, and that will be divided during the life of this legislation approximately on the basis of one-third to Cuba and two-thirds to the full duty countries.

Now, there are other changes in the legislation. Those are the important ones, however, as far as the division of sugar production is concerned, and they are the most controversial parts of the legislation. There is a change in the pricing formula, which was mentioned by the gentleman from North Carolina, [Mr. COOLEY] in that the base is changed from 1947 to the period 1947-1949, and there are changes in the definitions and other technical changes in the act which it will not be possible for me to go into at this time.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Washintgon.

Mr. HOLMES. I have been listening with a great deal of interest to the gentleman's presentation of this matter. We have a great many people out in the State of Washington in the irrigation districts that are classified as nonhistory growers. These people are very vitally interested in receiving some recognition in relation to their needs for sugar beet acreage in these new lands coming under irrigation. I know the matter was seriously discussed in committee, and could the gentleman advise me as to what is provided in the bill in relation to any flexibility concerning these nonhistory growers?

Mr. HOPE. I will say to the gentleman that the bill itself does not provide

any formula for the distribution of additional acreage of sugar beets. However, the committee feels that very careful consideration should be given to the needs of the new growers and so states in the report.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. DONDERO. The point I am interested in is this. I have followed the gentleman closely and understand that the acreage for domestic producers will be increased?

Mr. HOPE. That is correct.

Mr. DONDERO. What I am particularly interested in is this, because I have had complaints about it. Will the quota for domestic producers be increased in order to take care of the increased production of sugar? And I want to add right there that one domestic producer in this country I am informed has on hand some 55,000 tons of sugar in a warehouse, and cannot sell a pound of it because of the quota. Is there any relief granted in this bill to that kind of a situation?

Mr. HOPE. This bill, of course, provides, as I stated in the beginning of my remarks, for the purchase of 100,000 tons of sugar for foreign relief purposes. The producer the gentleman has in mind might get some relief from that source, as that is the purpose of this purchase, to relieve the situation on sugar which has accumulated and cannot be disposed of under the quota allocations.

Mr. DONDERO. It is one of the large cane producing companies of this country.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. We had no such evidence as that before the committee. We did have evidence of the fact that there were about 15,000 tons in Louisiana and about 35,000 tons in Florida actually in storage.

Mr. DONDERO. I may have misunderstood what was the amount, but that was the figure given me, 55,000 tons. Maybe it was 35,000 tons. This was cane sugar.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Connecticut.

Mr. MORANO. The distinguished gentleman from Kansas [Mr. HOPE] in answer to a question of the gentleman from Washington [Mr. HOLMES] said that there was additional acreage for domestic beet sugar provided in this bill. If so, what is that additional acreage, if the gentleman has that figure?

Mr. HOPE. That could only be an estimate, but from a rough computation that I made a little while ago, it would indicate that based on the estimate of 135,000 tons increase in consumption per year and on the division that we are talking about, 50 percent to domestic producers and 50 percent to foreign producers, beginning in 1957 domestic sugar beet producers would get about 12,000 acres per year and mainland cane

producers would get somewhat less than that.

Mr. MORANO. If there is now a surplus of beet sugar, why do we need additional acreage? I do not understand that.

Mr. HOPE. This would be the absorption of the increased consumption. They will not get the increased acreage until the consumption increases. Under this bill domestic producers will share in the increase in consumption. Since 1948 all increased consumption has gone to Cuba and other foreign countries.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has again expired.

Mr. HOPE. I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, the bill H. R. 7030, to amend and extend the Sugar Act of 1948, is one of the most important pieces of legislation to come before this session of Congress.

Let me state in the beginning of my remarks that the Committee on Agriculture, its chairman and both the majority and minority members have cooperated and labored diligently on this legislation and brought to this House a bill on the extension of the Sugar Act of 1948 which in my considered opinion meets the changing condition of world production and marketing of sugar.

In order to understand why we need this legislation in this session of Congress we should be reminded that the basic quotas for the mainland sugar producers and the Hawaiian Islands have remained rigidly fixed since 1948. When we speak of the mainland sugar producing areas we, of course, mean the cane and sugar beet areas in the United States proper.

In the act of 1948 Puerto Rico's basic quota was increased 170,000 tons, the Virgin Islands was increased 6,000 tons, but the mainland sugar producing areas within the borders of the United States remained the same, which was 1,800,000 tons beet area and 500,000 tons for the cane area.

During this same period of time the United States consumption increased about 1 million tons. And remember now that not 1 ton of increase was granted to the domestic sugar cane and beet sugar producers. This is the main reason the Sugar Act should be amended and changed at this time.

The Sugar Acts of 1934 and 1937 divided the United States market percentage-wise. The 1937 act reserved 55.59 percent of the United States market for domestic producers and the balance to foreign countries. And as the demand for sugar increased in the United States these producing areas shared proportionately in the expanding market.

Under the law as it now exists Cuba supplies 96 percent of each year's increased demand for sugar in the United States. All other foreign suppliers supply, not proportionately but in the manner indicated in the legislation—the balance of the 4 percent. None of the increase in consumption under the present

law can be supplied by the domestic producers.

Under the present law the Secretary of Agriculture has estimated that we will use 8,400,000 tons of sugar in 1955 and according to the formula in the law the maximum the domestic areas can produce would be in short tons as follows:

Domestic beet.....	1,800,000
Mainland cane.....	500,000
Hawaii.....	1,052,000
Puerto Rico.....	1,080,000
Virgin Islands.....	12,000
Total.....	3,956,000

Under the present law the Republic of the Philippines supplies us 977,000 tons; Cuba, 2,859,840 tons; and the full-duty countries, which are the countries permitted to supply us with 4 percent of our annual consumption, would supply the balance.

These full-duty countries, according to our report, would supply as follows:

Peru.....	55,658
Dominican Republic.....	29,592
Mexico.....	12,269
Nicaragua.....	8,386
Haiti.....	2,863

And a small amount from various countries mentioned in the report.

I might add that when we are speaking of domestic industry in this Sugar Act we refer to United States mainland, Hawaii, Puerto Rico, and the Virgin Islands.

I think I should mention the fact that Cuba's supply of our entire domestic consumption in the United States is 2,859,840 tons. Cuba has been well taken care of and certainly receives the cream of the sugar imports under the present act and will continue to do so under H. R. 7030.

Under the proposed changes in the law the domestic industry would be granted quota increases to relieve an intolerable situation which has developed because of increased per-acre yields and the inflexibility of marketing quotas fixed by the present law. And the domestic industry would share in future growth of the United States sugar markets on a 50-50 basis.

The principal reasons for considering the changes of the Sugar Act at this time are based on the fact that the present Sugar Act expires at the end of 1956. Growers contract with processors before the planting of crops, and the sugar crops are marketed a year after the crops are harvested.

Our domestic sugar industry is important to our national well-being both agriculturally and economically. In the vast reaches of the semi-arid West, the sugar beet has become synonymous with stability. New growers could get little consideration under present legislation, but would share in the increased consumption under H. R. 7030. It is the ace-in-the-hole upon which many of our western farmers depend. It is a prime cash crop, it is important to proper rotation practices, it is the basis for livestock feeding operations.

In the South—Louisiana and Florida—sugarcane means equally as much to the farmers who grow it. We have been told that in the 150-year history of the

sugarcane industry in Louisiana, no other cash crop has been found to replace sugarcane.

In our offshore island possessions—Hawaii, Puerto Rico, and the Virgin Islands—sugarcane is a mainstay of the entire economies.

Last year alone, the domestic sugar industry poured more than a billion dollars into our national economy.

We are all well aware that the United States sugar industry is regulated by Federal law. For more than 20 years, our national sugar program has proven to be an excellent one. In 1934 we initiated the present system. In 1937 Congress made changes in the details of the first Sugar Act. Again in 1948 and in 1951 it was deemed necessary to amend and extend the existing act. Now, once again, changing conditions make necessary changes in the law to keep it modernized and attuned to circumstances as they now exist.

If we examine what has taken place in our domestic sugar industry and our Nation as a whole since the Sugar Act was amended, it becomes quite obvious why this Congress must once again revise the law to fit new conditions. Our population is expanding rapidly, at the rate of some 2½ million persons each year. As we grow in numbers, so do we grow in our appetite for food. Sugar is no exception. Our annual consumption of this commodity is going upward, year by year.

But, as a result of the fixed marketing quota provisions applied to all domestic sugar producers in amendments to the Sugar Act in 1948, these people have been forced to remain static. Worse than that, as our Nation grows and expands, our sugar farmers are being told they must cut back their acreages. These cuts have become necessary because of the fixed quotas, plus the industry's own tremendous advances in efficiency.

Our domestic sugar industry lays just and indisputable claim to being the most efficient in the entire sugar world—and sugar is almost a universal product, produced in varying quantities in all but a very few countries on earth.

In the past 7 years, our western sugar-beet farmers have increased their production of sugar per acre by some 15 percent. In the past 30 years, their production improvement has been estimated at 68 percent.

In Louisiana, sugar production per acre has been increased 21 percent in the past 7 years.

In Hawaii, the man-hours required to produce 1 ton of sugar are the lowest in the world.

These are gains which have been achieved through hard work and hard thinking. Our farmers and processors, our scientists and experts in the Department of Agriculture, our State colleges and others have united their manpower and their brainpower in bringing into reality these truly American accomplishments, only to be penalized for increasing efficiency.

In the past 2 years our sugarcane farmers in Louisiana and Florida have had this said to them twice for an aggre-

gate acreage cut of 18 percent. And our sugar-beet farmers throughout the West have had the same word and a cut of 10 percent in their acreage.

This simply does not make sense when one considers that we produce in this Nation only a portion of the sugar we consume. We are not producing sugar enough to meet our needs. We are importing almost half of every pound of sugar we use.

We are penalizing our farmers for no good reason, forcing them out of sugar production into the growing of other crops already in surplus supply.

It is essential that we reverse this trend by passing H. R. 7030.

During the 12 years I have been privileged to serve on the Committee on Agriculture, there seldom has been greater effort made to solve a more complex problem than confronted our committee when we addressed ourselves to the matter of proposed sugar legislation. Hearings on the proposal to amend and extend the Sugar Act extended over a period of a month. We heard from virtually everyone with a direct or indirect interest in the matter. Thousands of words of testimony have gone into the record.

As we weighed the many problems involved, we have been not only keenly sensitive to the problems and best interests of our own domestic sugar industry, but we have attempted to give full attention to our trade relationships with our good neighbors and friends in foreign lands who help supply our sugar. The bill before us represents give and take on all sides. We have all had to compromise in order that some solution, if not ideal, could be found and action taken this year.

Throughout our committee deliberations, and now that the matter is before us as a Committee of the Whole, it has been and continues to be necessary that we test the proposed amendments and extension in relation to the basic stated purposes of the Sugar Act, which is our national policy. These purposes are stated thus:

An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of the consumers of sugars and those engaged in the sugar-producing industry; to promote the export trade of the United States; and for other purposes.

Mr. Chairman, time is of the essence. Our sugar farmers must, and deserve to know now what they are going to be permitted to grow next year. They cannot wait until next spring to be told how they may crop their lands. California plants in November and contracts will not be let for sugar that cannot be marketed. They have sought our counsel and assistance. We cannot deny them.

I earnestly hope my colleagues that you will feel disposed to support this legislation.

Mr. HOPE. Mr. Chairman, I yield 1 additional minute to the gentleman from Colorado.

Mr. HILL. Mr. Chairman, I have not time to finish my remarks, so I will place them in the Record and I hope

you will read them carefully, because we tried very earnestly in this bill to carry out the theory that we need a national Sugar act.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CEDERBERG. I want to associate myself with the remarks of the gentleman from Colorado and also express to the Committee on Agriculture the appreciation of thousands of sugar beet growers in the State of Michigan for your farsightedness in bringing up this legislation. We think it will be of real benefit to us.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. BEAMER. I want to associate myself with the remarks of the gentleman from Colorado and to ask a question. I also have received inquiries, among them a telegram asking why we do not have 55 percent instead of 50 percent.

Mr. HILL. I will answer that under the 5-minute rule.

(Mr. BENTLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BENTLEY. Mr. Chairman, in connection with this debate on H. R. 7030, I wish to call the attention of the Members to the present serious situation whereby fixed quota restrictions are discriminating against United States sugar and permitting foreign sugar to fill entirely the increase in the United States sugar market.

In 20 years, the cost of sugar has risen 30 percent less than the average cost of other foods and today retails at practically the same price as it did in 1948. It is a vital commodity, being crystallized energy, the lowest in cost per energy unit of all foods, vital to diet, vital to industry in peace and war. It is not a surplus crop since the United States, including its Territories, produces little more than half of the sugar we consume.

Since 1948, United States population has increased from 146 to 162 million people, an increase of 16 million. During this same period, the Nation's annual sugar consumption has risen by a million tons, from 7.2 to 8.2 million tons and is still increasing.

Mr. Chairman, this increase has been supplied entirely by foreigners. All the annual market growth goes to foreign countries, 96 percent to Cuba, 4 percent to other foreigners, nothing to Americans. Domestic sugar producers have fixed quotas set by existing law and cannot supply 1 ounce of present or future market increases unless that law is changed. Thus the American producers' share of the American sugar market shrinks as the Nation's total sugar needs rise.

During the last 7 years, American sugar farmers have modernized and mechanized their operations at great expense, increased their efficiency tremendously and raised their production per acre by as much as 20 percent. However, Mr. Chairman, their progress has been stalled by rigid marketing quotas which have forced drastic cuts in sugar crop acreage up to 18 percent in the last

2 years, with more cuts to come unless immediate action is taken.

This immediate action to restore to American producers their rightful share in the United States sugar market increases is urgent because American citizens should no longer be denied the right to share in the growth of their own country. If there are further acreage cuts it will work a severe hardship on American sugar farmers in 24 States and in American Island Territories. Further, if more acres are diverted from sugarcane or sugar beets, it will add to the supplies of crops which are already in surplus. Finally, the American sugar industry, which each year pours a billion dollars into the economic lifestream of our country and helps other industries pay the wages of millions of Americans, must be kept healthy.

Now, Mr. Chairman, I understand that bills have been introduced by 49 Senators and 28 Congressmen to remedy the situation that has arisen under the present sugar act. These 77 sponsors are divided almost equally between the two political parties and there is widespread bipartisan support for these measures by many persons who understand the need for and the effect of this proposed legislation. However, many Americans have been confused by a propaganda campaign conducted by certain Cuban sugar interests.

Mr. Chairman, this proposed legislation will not reduce the volume of sugar shipments from Cuba or any other foreign nation below their present quotas. It does not deny to Cuba or to any other foreign producer the privilege of continuing to participate in the future growth of the United States market. It merely restores the historic right of our own citizens to receive a share of future increases in our own market and it should be passed this year to avoid further damaging consequences to the American sugar industry.

Now what about the situation in Michigan. This year Michigan sugar beet growers were allocated 9.58 percent of the total acreage of 850,000 acres. Now in 1950 there were 5,300 sugar beet producers in Michigan while in 1935 there were 12,500. That drop is explained by the restrictions and by the acreage cuts on sugar beet farmers to which I have referred above. This unprofitable situation has driven many sugar beet producers in my district to divert their acreage to corn, a basic commodity, and now one sees corn bins all throughout central Michigan, holding surpluses under Government loans, whereas a few years ago those counties were corn-importing areas. Relief is needed and needed quickly for Michigan's sugar beet producers.

Mr. Chairman, I do not regard H. R. 7030 as the best possible relief that our sugar producers can obtain but I intend to support it because it certainly is a step in the right direction. That direction is to give American sugar producers their fair share of the American sugar market.

(Mr. CHENOWETH asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CHENOWETH. Mr. Chairman, I rise in support of H. R. 7030, a bill amending and extending the Sugar Act of 1948. I want to commend the committee on bringing this bill to the floor of the House.

I was one of several Members of the House who introduced similar bills. My bill was H. R. 5470. I am very much interested in this sugar legislation and I feel that the bill before us today is vitally needed at this time.

Mr. Chairman, I represent the Third Congressional District of Colorado, which is a large sugar beet producing area. I have three sugar beet factories located in my district. All of these factories have been in operation for many years, and are a vital part of the economy of our area. I consider it highly essential to our national economy to promote and maintain the domestic sugar industry of our country, both cane and beet. We do not appreciate the importance of our domestic sugar industry until outside supplies are cut off as in time of war, when we must rely on our domestic production for our needs. Certainly it would be a shortsighted policy to neglect this important industry.

I submit that every effort should be made to keep our domestic sugar industry in a healthy and prosperous condition. This is what we are seeking to do by this legislation before us today. We want to do everything possible to assure an adequate supply of domestic sugar in the event of another emergency.

I strongly feel that our domestic sugar producers should be permitted to participate in the expanding domestic market. Under sugar legislation in effect from 1934 to 1948 both domestic and foreign sugar producers shared the United States sugar market on a percentage basis. However, the Sugar Act of 1948 established fixed inflexible quotas for all domestic producing areas. It gave to foreign producing countries all of the benefit of increased consumption in this country. Practically 100 percent of this increase went to Cuba.

The domestic industry concurred in the 1948 act because of appreciation for the contribution which Cuba had made, along with our domestic areas, in meeting wartime sugar demands. It was felt in 1948 that Cuba should have some temporary period within which to adjust production to post-war market demands. It was understood at that time that this arrangement was not to be final or irrevocable, and the right was reserved to ask for a revision of the act whenever circumstances required.

Mr. Chairman, that time has now arrived, and the proposed amendment is absolutely necessary. The domestic producing areas as asking that their traditional share of the expanding United States market be restored to them. Under the Sugar Act of 1937 the domestic areas received 55.59 percent of total domestic requirements. This bill will restore the quota system under which our domestic producers will again be permitted to obtain their fair share of the increased consumption of sugar in this country.

Mr. Chairman, sugar companies in this country are now carrying large inven-

tories, and are not able to dispose of the sugar stocks on hand. Under this bill 100,000 tons of domestic sugar will be purchased by the Government for foreign distribution. This will be of great help in relieving the present situation.

Mr. Chairman, it is important to have this legislation enacted at this session, and I want to again commend the Committee on Agriculture for its prompt action on this bill. This is a good bill and should receive the support of the House.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. CARRIGG].

(Mr. CARRIGG asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CARRIGG. Mr. Speaker, at the hearings on the bill to amend the Sugar Act of 1948, Mr. Henry F. Holland, Assistant Secretary of State for Inter-American Affairs, explained before the committee the position of his Department, and as regards the Philippines, he said the following: "The Department does not recommend an increase in the Philippine quota at this time. The Department believes, however, that consideration should be given to allowing the Philippines a share in increased consumption when sugar legislation is next amended and after sugar from the Philippines begins to pay a tariff." The Filipinos were at first gratified with the statement. They were not surprised at the first part of this statement that said that "the Department does not recommend an increase in the Philippine quota at this time" in view of the observation of the Department that the act should not be amended so as to take effect during next year. Sugar from the Philippines begins to pay a tariff next year, and the phrase "when sugar legislation is next amended," was interpreted to mean the legislation under consideration.

It now turns out that what Mr. Holland meant is when the legislation is amended after the present amendments, which are intended to be in effect for 6 years. In other words, the Department would permit the domestic producers and the so-called full-duty countries—Santo Domingo, Haiti, Mexico, Peru—all countries supplying the United States, to share in increased quotas due to increased sugar consumption, with the solitary exception of the Philippines.

Is it possible that of all the countries supplying the American sugar market, the only one to be excluded from the benefits of increased quotas is the Philippines who, among these foreign suppliers, is the country that needs it most because it has the gravest problem of trade deficits, unemployment, and inflation as a consequence of her loyalty to America in the last war?

Is it possible that the only country to be excluded is this country who, among these foreign suppliers, paid most dearly in lives and property for their loyalty to the cause of freedom, who continued to shed blood for this cause in Korea, and whose representative acted so effectively to prevent the Asian-African conference in Bandung from becoming a Communist and anti-American organi-

zation which would have lined up the peoples of these two great continents against America and the free world?

Is it possible that this country which, among the foreign suppliers, has the most serious problem of communism, aggravated by unemployment and inflation, should precisely be the country singled out for exclusion from the benefits of increased American quotas?

Is it possible that this country that is the showcase of democracy and the only Christian country in the Orient, and which is being watched by one-half of humanity that lives in that area to see if the democratic and the Christian way of life is superior to that of communism, should be so unfairly discriminated against?

Is it possible that this country that notwithstanding its still shattered economy buys only 25 percent less in the American market than another supplier that has 200 percent more sugar quota—is it possible that the United States should want this country with its great potential market of 20 million progressive people to delay its economic recovery?

Is it possible that this country that was prevented, because of the war and the resulting destruction of her industries, from selling 8 million tons of sugar worth a billion dollars on which the United States collected duties from the substitute suppliers of \$100 million, should be further punished by excluding her from the benefits of increased quotas in the United States sugar market?

Is it possible that this country where we have valuable military, naval, and aerial bases and is only a few hundred miles from the coast of Communist China, this country that gives our investments the same rights and protection as those of her own nationals, should be singled out for exclusion from the benefits of increased American sugar quotas?

When the Department sent the Assistant Secretary of State for Inter-American Affairs as its spokesman on the proposed legislation, the Philippine case may be said to have two strikes on it. We have the highest respect for Assistant Secretary Holland, but he is daily exposed to the pleadings and pressures of the representatives of the countries with which his division has to deal, and has little contact with the representatives of the Philippines. The importance of the legislation now before Congress transcends the mere value of so many tons of sugar. We pray the American Government and the American Congress to pause and reconsider the implications of the proposed exclusion of the Philippines from the benefits of the amendments to the Sugar Act. The Filipinos and particularly Asia and the world at large are watching how America deals with her tried allies and friends.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Wyoming [Mr. THOMSON].

(Mr. THOMSON of Wyoming asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. THOMSON of Wyoming. Mr. Chairman, I rise in support of fair treat-

ment of our domestic sugar industry. I reluctantly state that the bill before the Committee, in my opinion, falls far short of giving fair treatment to the domestic industry.

Of course, the State which it is my privilege to represent has vested interest in this legislation. We are not one of the largest producing States in the Nation, but the sugar beet industry is very important to our economy. Sugar beets represented 20 percent of the cash farm income crop in Wyoming in 1954, according to Department of Agriculture figures. It is not only important to us as farming commodity, but affects almost every other segment of our economy, including labor and business, which is practically all small business in Wyoming. Just to give you some idea of this, the farmer received approximately \$6½ million for his crop. Payrolls of the sugar factories in 1954 represented \$2 million. Freight payments by truck and railroad amounted to \$1½ million. Two and one-half million were accounted for by sugar refinery purchases of coal and various other industrial supplies. This totals \$12½ million, but is really only a fraction of what could be developed, and if we were to arrive at the true realistic total, we would have to take into account the equipment purchased by the farmer and the food and other items purchased by farmers and factory workers, and those indirectly concerned. This will give you some idea of the importance of this to our economy.

I am not here, however, to make an appeal for special consideration for my State, or any other State. I think this is good, sound legislation, for the best interest of the country as a whole, and when I say the country as a whole, I mean of the farmers, businessmen, laborers, and the consumers.

Although the statement has apparently been criticized, I still think the question before this committee and the Congress can be simply boiled down to the proposition of, Is the American farmer to be allowed to share in the growth and progress of America. No matter how one attempts to sidestep the issue, that is what must be decided.

I attended a good portion of the hearings and had a representative present at almost all others. We secured copies of those statements made available to us. Most of the pertinent facts were put in the record, and were presented very fairly and ably by representatives of the growers and the domestic industry. I am confident that if they were weighed on the basis of fairness and historical evidence, and what is best for the over-all American citizen, then fair legislation would certainly be passed by this Congress in the form which my colleagues and myself introduced identical bills.

The main opposition seems to be centered around the so-called obligation we have to Cuba. I think that it is established beyond contradiction that we have no legal obligation, which we seek to controvert. Cuba would be left with her full quota before World War II, plus virtually all the increased consumption up to the present date, plus whatever share of the historic 45 percent foreign

production that is eventually allotted to her by this committee and this Congress. The argument that we are cutting down on her is simply without basis in fact. We cannot be charged with disrupting her economy, for we do not propose to buy less from her, but continually more. Cuba had a right to expect that the domestic producer would reenter the market for their historic share as soon as they had recovered from the various effects of wartime dislocations. Cuba entered the market during World War II and supplied us over and beyond her historic quotas. Naturally we were gratified at this. On the other hand, they have been repaid well, and to say that they are entitled to more consideration is to completely overlook the primary fact that we fought and financed a war that benefited Cuba just as well as the rest of the world. I remember a Puerto Rican regiment in North Africa, and a Brazilian division in Italy, but to the best of my knowledge, no Cuban blood was spilled on foreign soil. I think we cannot disregard the interest of the American farmer, and particularly the debt that we owe to the veteran who located on one of our reclamation farms in Wyoming and other Western States, and is now denied any sugar-beet production under the present law.

Yes, Cuba was well repaid for contributing to our war effort by producing sugar—at a profit—while we fought a war—at a loss. Cuba has had all our increase in domestic consumption since the beginning of World War II, added to their basic quota at that time. The Cuban import quota increased from roughly 1,900,000 tons in 1940 to 2,668,000 tons in 1955. Under our bills we would take 188,000 tons out of the 200,000 estimated increase in consumption this year, and share the balance. Therefore, Cuba's quota for 1955 might well be as high as 2,673,000 tons. The argument that we would be taking something away from Cuba this year does not stand up in this light.

As far as I am concerned, the argument fails that we even have a moral obligation to Cuba in connection with this. If this Government, and this Congress, has a moral obligation to anyone, it is to these veterans, who are suddenly denied a right to produce. They have obligated themselves to pay for the expensive machinery now used on a sugar beet farm. Unless we do something about this law and do it now, we are saying to them, "We made available to you a small 160-acre farm. We encouraged you to sign the repayment contract to pay back the cost of irrigation. We stood by while you invested in this machinery and gave a boost to the American factory worker. Now we are no longer interested in you. You cannot grow a cash crop. For all we care you can lose your machinery. You can lose your farm, and your family can go begging."

If there is any moral obligation involved in this legislation, in my humble opinion it is to these veterans.

Let us look at the moral obligation statements from yet another angle. Throughout the hearings it was pointed up that the reason for the 1948 Sugar

Act amendments was to give the American farmer a chance to build back his production curtailed by the war, and to allow Cuba to scale down her production gradually to gear it to a postwar economy over a period of 5 years rather than to take an abrupt drop in quota. There lies a moral obligation on the part of Cuba. Cuba has not lived up to the spirit of the agreement, nor made any recognizable attempt to live up to it. She has each year increased her acreage, and each year increased her production. Cuba, then, is in the peculiar position of charging the wronged party with a moral obligation that cannot exist in the light of her refusal to comply with the spirit of the agreement made possible by the generosity and understanding of the domestic producers and the Philippine producers.

I have always tried, throughout my legislative experience, to decide issues on the basis of principle. The principle involved here is that the American citizen, whether he be a farmer, laborer, a shipowner, or a lawyer, is certainly entitled to benefit from his own enterprise and his own initiative—he is certainly entitled to a share in the growth of America. This is the principle involved in the 50-50 provision of S. 2090, adopted on the floor of the House last week, to give the American shipowner a chance to take a half share of the shipping of American products abroad. When my Wyoming Farm Bureau Federation wired me to oppose this proposal, I immediately contacted them by telephone to tell them that I considered the principle involved—exactly the same principle we are fighting for in attempting to get the sugar bill passed—the right of the American to participate in the growth of America. I supported the 50-50 provision for American shipowners and sailors. It was adopted by an overwhelming division vote. I think the House will follow the same principle as applied to our sugar industry.

What is the present law, how did it come about and how does it operate? At the end of World War II the domestic producer, in what appears now to be too generous a gesture, said in effect, "It will take us a few years to build back to what we were producing before the war, which was 1,800,000 tons a year. Cuba is way up on production. Heretofore, we have shared the market at 55 percent for domestic and 45 percent for foreign production. We will consent to take a fixed quota of 1,800,000 tons for our beet sugar growers and similar fixed quotas for others, based on the production before the war. We will let Cuba have most of the increased consumption, 96 percent of it; the rest will go to other foreign producers. Furthermore, we will let Cuba make up the deficit as to quotas on the Philippine production, while that country is being redeveloped, plus the domestic deficit as well. This will permit Cuba to go down from her wartime peak gradually, without serious economic dislocations, and we will give them 5 years to do it."

In simple language, this was the effect of the 1948 act. In 1951, it was extended for another 5-year period, because of the

intervention of the Korean war, but with the express reservation that if the domestic production moved up before that time, we would ask for a share of the increase in the future market.

What do we mean by increase in the future market? Simply that by reason of increased population and increased per capita consumption, there is an average of about 150,000 or 200,000 tons more sugar marketed in the United States each year. With the sudden end of the Korean war, and for that we thank God, the American production did build up more rapidly than expected. In 1953, we raised 1,872,000 tons of beet sugar, 72,000 tons over quota. In 1954, this jumped to 1,978,000 tons. Acreage restrictions had to be applied.

You can imagine my concern with this, as the Congressman representing Wyoming. I therefore introduced H. R. 5443, calling for an amendment to the Sugar Act to increase the domestic quota for the sugar-beet producer by a total of 85,000 tons and similar increases for other domestic producers, and calling for a return to the historic formula of allowing the United States domestic producer a 55-percent share of the increasing market, starting with 1955 quotas.

In connection with reciprocal-trade legislation, H. R. 1, some of you probably wondered why I voted to place a curb on the power of the State Department to control our foreign-trade policy. I think this is a very good indication of why I feel this way. I believe we must trade with the rest of the world. I believe that trade is one of our best weapons for peace, but I do not believe we should give away our American standard of living or disregard the interest of our American producers.

The bill which I introduced, and the identical bills introduced by other Congressmen, were introduced after many, many meetings within the industry and other interested persons. They represented the very minimum necessary to take care of our accumulated inventories of refined sugar which were not held in Government storage at Government expense, but in private storage as a private inventory, and still give some relief to our hard-pressed American sugar-beet farmer and cane-sugar grower. Why is it that the committee bill is not satisfactory?

In the first place, it will not give us any relief on the 1955 quota, which determines the crop to be grown in 1956. The banker will not wait for his money. The farm-machinery man will insist on his payments. The sugar farmer, and particularly the young veteran, will go broke, will be faced with foreclosure, and with loss of the expensive machinery which he bought in good faith. Yes, he may even lose his farm itself. The first money that will come to him under this committee bill cannot be reasonably expected until 1958, when payment is made for the crop he grows in 1957.

In the second place, the bill refuses to recognize the historic basis for sharing in increased sugar consumption. It cuts the American producer from 55 percent of the increase in the American market to 50 percent. Unless this is

changed, Congress will be placed in the position of again giving away just a little bit more of our American standard of living to the detriment of our farmer, our laborer, our businessman, and our general economy.

In the third place, the bill attempts to tie sugar into a rigid price-support program at the taxpayers expense when it is not a surplus product at all. We produce only about 50 percent of our domestic consumption. Are we to increase our consumption at the taxpayers' expense and drive down the price to our American farmer?

In the fourth place, the bill puts the American farmer in the position of accepting largesse through a purchase of domestic sugar for free overseas distribution, when all the American farmer wants is a chance to earn an honest living and share in the growth of America on a fair basis as an American citizen, just life, liberty, and the pursuit of happiness—by hard work.

The bills which were introduced were fair to foreign producers as previously pointed out—took nothing away from them and represented the very minimum that would be helpful to the American sugar beet farmer, or cane sugar grower.

If it were not for the fact that I sincerely believe and hope that the amendment to be offered by Congressman DIXON, of Utah, taking the 90-percent provision out will be adopted, and if it were not for my sincere belief that the other body will make further changes in this bill which time does not permit us to consider, I would be constrained to speak in opposition to the bill and vote against it. If time permitted, I am confident that this House could take care of putting the bill in proper form right here on the floor because I have complete confidence in the combined judgment of the Members of this House when all the facts are known to them. There are many other deserving bills, however, on the schedule and I do not believe that the best interests of the country would be served by bringing about a prolonged floor discussion on the amendments that are necessary to make this bill a fair and just bill to all.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. Dawson].

(Mr. DAWSON of Utah asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DAWSON of Utah. Mr. Chairman, here is some legislation which everyone in this House should vote for with enthusiasm.

It takes nothing away from our friends in other sugar-producing countries, but it at the same time gives something to our domestic producers: to wit, a share of the increase in domestic consumption.

The fact that this legislation has been subjected to any opposition and controversy is an indication of how far we have traveled down the road of considering the welfare of other nations before considering the needs of our own people at home.

The simple truth is that since the Sugar Act was passed by Congress in

1948, annual sugar consumption has increased about 1 million tons in the United States. Yet, this increased consumption in our own country has not benefited our domestic cane- and beet-sugar producer at all. Due to rigid quotas imposed by the act, the increased market has been given to Cuba while our own farmers have had their beet-sugar acreage cut as productivity increases.

This legislation would not cut back Cuba sugar production. It would just give the United States producer the right to share in the increased market our own Nation's expanding population creates.

The Cuban argument that it must sell us ever-increasing amounts of sugar if it is to buy products of our American industries falls of its own weight. The domestic beet and cane producer is also a customer of domestic industry—provided he can make a living—and he pays property, income, and excise taxes for the support of his Government in addition.

There should be no question about the fairness, timeliness, or need for this legislation in anyone's mind.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. FJARE].

(Mr. FJARE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FJARE. Mr. Chairman, we are considering H. R. 7030, a bill amending and extending the Sugar Act of 1948, as amended. This legislation is important to the diversified farmer of the West, and especially to the citizens of my home State of Montana. Agriculture in general is the leading industry of my State, as is the case with many of our States, and consequently legislation enabling our sugar industry to grow as our Nation grows is of vital importance to a continuing sound agricultural economy.

I believe that the Sugar Act of 1948 was designed to meet problems of the temporary postwar transition period and was not to be regarded as the establishment of long-time national sugar policy. With our steadily increasing population in the United States, the demand for sugar continues to rise. Yet the domestic sugar producer fails to share in this expanding market under the present Sugar Act. This means that the Montana sugar-beet grower, for example, is being treated more like a colonist than the foreign producer. Certainly we must realize the need for foreign trade, but not at the complete expense of our own people.

Sugar-beet growers in the West have a heavy investment in equipment, and their expenditures constitute an important part of our national economy, especially in the rural areas of our Nation. In addition the sugar industry through its sugar factories in the fall of the year provides employment for many people in these areas during that period, and this is important because of seasonal lags in employment during that time. Transportation and other businesses directly and indirectly receive a stimulus from the operations of these sugar-beet

growers and processors, and all in all they are an important part of our economy.

This legislation is not an attempt to cut down on our imports, but merely an effort to allow our own farmers to share in the growth of our Nation. In a time of agricultural surpluses, it does not make sense to unduly restrict production on a crop that is not in long supply in our own Nation. To do so is to divert production to crops grown for storage rather than consumption. I, therefore, urge favorable consideration of H. R. 7030.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. Coon].

(Mr. COON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COON. Mr. Chairman, I am supporting this legislation, to increase the quotas of the United States sugar producers. This is especially important to me, because most of the beet sugar produced in this country, comes from the Rocky Mountain and Pacific coast areas.

The production of sugar is one of the most important of the western agricultural industries. This industry includes the growing and processing of sugar beets, for the production of sugar, and the valuable byproducts used in the feeding of livestock.

Many of our industries accepted restrictions during the international economic adjustment following World War II. Heavy curbs were put on our sugar growers, in order to aid Cuba, during that emergency.

Circumstances have now changed. It is necessary for our producers of sugar to have immediate adjustments of these restrictive quotas, which are still in force. Consumption of sugar in this Nation is increasing at a rate of over 125,000 tons a year. All of this increased market is reserved to Cuba and other foreign suppliers. Our sugar people here at home are not allowed to supply one ounce of it. They are not permitted to profit one cent from the increased market, which they, themselves, have helped to create.

I feel very strongly that our domestic producers should share in this Nation's growth. Yet the reasonable and proper request of the American sugar growers for relief has been met by a storm of protest by Cuban interests. These foreign markets now feel that they have a vested right, and special privileges greater than those of our own citizens.

Therefore, Mr. Chairman, and colleagues, I strongly urge that this legislation be enacted.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. CHENOWETH].

(Mr. CHENOWETH asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. CHENOWETH addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOPE. Mr. Chairman, I yield

such time as he may desire to the gentleman from West Virginia [Mr. BURNSIDE].

(Mr. BURNSIDE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BURNSIDE. Mr. Chairman, I am in favor of H. R. 7030.

I note that H. R. 7030, which is now before the House, makes provision for a modest increase in the sugar quota of Mexico. I am glad to see that, although I don't believe that the measure of relief granted is enough to take care of the problems of our good friends south of the border. I am in receipt of a petition filed on behalf of the sugar producers of Mexico by my good friend the former Secretary of the Interior Oscar Chapman, which makes out, what is to my mind, a very persuasive argument for allotting a quota of 2 percent of United States consumption of sugar to Mexico. I have also received a letter from Mr. Chapman stating that he and the Mexican sugar producers, whom he represents, are urging the passage of H. R. 7030, even though it gives them only a small fraction of what they originally requested, because it does afford some urgently needed relief to the Mexican sugar industry.

Mr. Chairman, this fair-minded and practical attitude of compromise has characterized the approach of the Mexican sugar producers throughout this controversy on sugar legislation. I am glad to say that they have recognized the equities of other claimants and, so far as I know they have been the only foreign country which has consistently emphasized that the first duty of Congress is to take care of the best interests of the United States sugar industry. I believe that such a fair-minded approach deserves commendation and recognition by the Congress.

I certainly believe, Mr. Chairman, that the Congress should attempt, insofar as possible, to give the benefits of legislation where it is needed most and to help those who do the most to help us.

Mexico is the best customer of the United States in all Latin America and the fourth largest in the entire world, purchasing more from the United States than all the principal sugar-quota countries combined. Last year, for example, Mexico purchased \$628 million worth of products from the United States, \$200 million more than the giant sugar-quota country Cuba.

Mexico's balance of trade with the United States was unfavorable to Mexico by \$300 million last year. This figure is astounding: almost \$1 million a day. From this it will be seen how desperately Mexico needs United States dollars, some of which will be made available by this increased sugar quota.

Mexico has tried very hard to diversify its industry. For this reason, each industry in Mexico must do its part in bringing in some dollars. I am advised that the Mexican sugar industry is the fourth largest in the country and the relief provided by some additional dollars through increased sugar quotas is of vital importance to the Mexican economy.

It is my information, Mr. Chairman, that the original request of Mexico for which such a strong and persuasive case was presented, would amount to a quota of approximately 164,000 tons per year. The present bill, H. R. 7030, I am advised, affords only an average of 44,000 tons per year. Surely this is a modest request. This sugar quota will not even provide enough dollars to pay for the sugar machinery that the Mexican sugar industry is buying in the United States every year. Nevertheless, Mexico is supporting the proposed legislation as a just and reasonable compromise of all of the equities of all of the various claimants. I urge the House to adopt H. R. 7030 which was favorably reported by its Committee on Agriculture and represents a careful balancing of all of the equities.

Mrs. PFOST. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Idaho.

Mrs. PFOST. Mr. Chairman, in behalf of all the sugar-beet producers of Idaho, and particularly those producers in my own district, I urge immediate passage of H. R. 7030.

I believe we all are familiar with the basic reasons for this legislation. Since 1948 American sugar producers have been denied the right all other Americans have had—the right to share in the growth of our great country. H. R. 7030 will restore that right, beginning in 1956.

To be sure, this bill does not fill the entire needs of American sugar producers. It doesn't give them immediate benefits of the scale to which I, in my heart, believe they are entitled. The bill represents a compromise between the needs of the American sugar farmer and the interests of foreign nations which share in supplying our Nation's sugar requirements.

In recognition of the rights and interests of others, this bill is representative of the genuine spirit of my State, and the spirit of the entire West. The West was settled by people who sought a better life not only for themselves, but also for their neighbors. Many are the examples of self-sacrifice in the history of Idaho—sacrifices made by the individual for the general welfare of the community.

And it was in this spirit that the terms of this bill were developed during many long hours and weeks of arduous work.

As a temporary measure, to help our friends in the Caribbean, American sugar producers gave up the right to share in the growth of America under the Sugar Act of 1948, which this bill amends. With the passage of this bill, the right will be restored.

And so for all American sugar farmers, and for a fundamental American principle, I ask you to cast your vote in favor of H. R. 7030.

Now, for just a few moments I should like to tell you why the sugar-beet crop is of such tremendous importance to the West. The beet is more than a sugar crop. It is the key to success in the irrigated sections of Idaho and in the other Western States. It is the most important and most dependable cash

crop, and more than any other has built strong and stable communities.

Because of its versatility and the value of its byproducts, the sugar beet is the foundation of a sound livestock industry, which contributes immeasurably to the economic soundness of the operations of many of our Idaho farmers.

For the sugar beet is many crops in one.

From the beet itself comes pure sugar—the product of sunshine and carbon dioxide taken from the air and the sparkling water which comes from the melting snows and the rains that flow into our streams and irrigation canals.

When the beet is pulled from the ground at harvest, countless small roots remain in the soil, later decaying and giving our land new fertility.

The leafy green beet tops, removed from the beet before processing, are a succulent livestock feed. The pulp which remains after the sugar has been removed from the beet is another byproduct, which also is a valuable livestock feed. A single acre of sugar beets will produce enough feed—in addition to the sugar—to produce 300 pounds of meat to feed our people and provide income for our farmers.

In the great cycle of nature, the residue from the feedlots is returned again to the soil, and the land on which beets are grown is fertilized.

Thus the sugar beet takes nothing from the land, under the wise plan of farm management which our Idaho farmers use. The sugar is manufactured by this miraculous plant from sunshine, air and water. All the rest is returned again to the soil.

And that is why the sugar beet is so vital as a rotation crop in the West—as well as a source of American sugar for the American people.

But our farmers cannot obtain the full benefits from this crop if, year after year, their acreage is drastically cut—more and more.

Yet that is what is happening under the fixed quota system which has denied our citizens the right to supply any of our growing sugar market. The kind of progress that has made America great has resulted in more and more efficient production of sugar beets. We now need fewer acres to produce a specific amount of sugar than we did in 1948, when the present fixed quotas were established. And so our acreage must be cut to keep production in line with antiquated quotas. And each time our farmers increase their efficiency of production, they are penalized further.

Does this make sense in America? Surely it does not.

H. R. 7030 will restore once again to Idaho sugar beet farmers—and to all American sugar producers—the right to progress with our Nation, and to plant a reasonable acreage of a crop so essential to their operations.

And so again I ask your support of this urgently needed legislation.

(Mrs. PFOST asked and was given permission to revise and extend her remarks.)

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

(Mr. THOMPSON of Texas asked and was given permission to extend his remarks at this point in the Record.)

Mr. THOMPSON of Texas. Mr. Chairman, I have no desire to prolong the discussion of the proposed sugar legislation. As has been so well said, this is one of the most complicated matters which comes before the Congress.

The Committee on Agriculture has worked long hours for many weeks, and the bill which is before you is the best compromise which could be had under all circumstances. I started deliberations with three major responsibilities in mind.

In my district there are sugar-refining interests, and I did not want to see any disturbance of the traditional balance between domestic and offshore refiners. The present bill gives my people the protection which I desired.

Further, I was very much concerned over the problems of the domestic raw sugar producers, and I was entirely in sympathy with their desire to have some help in their extremely critical surplus problem. The bill before us makes provision for the domestic producers.

My third responsibility was to my rice producers. Texas and adjoining southwestern States sell more rice in Cuba than in any other part of the world. I am very reluctant to have anything done which would disturb this good neighbor and good customer.

I hope that before this bill is finally enacted into law, the proportion of offshore raw sugar allocated to Cuba will be more generous than it is in the present bill.

In addition to my regard for a good customer, I cannot forget the loyalty of our neighbor nation in times of stress when we were in desperate need of sugar and when other producing nations were undertaking to hold us up. Perhaps between now and the time the bill is passed by the other body and finally enacted into law, the situation which is causing Cubans so much distress will be more reasonably adjusted.

I make these comments without any criticism whatever of the work of the committee. Certainly no one who watched the long and patient work of the committee leadership could say a word other than of praise for any one of them.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. I thank the gentleman and I just want to bring to the attention of the House that in my district alone we have 40,000 tons of sugar that we cannot sell because our domestic producers have not been allowed any part of the increase in the American market since 1948; we have not been able to sell even 1 single ounce of sugar. It is time for us to get some action.

(Mr. ROGERS of Florida asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, I yield the remainder of my time to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I first want to state that the chairman of our Committee on Agriculture, the distinguished gentleman from North Carolina, and the gentleman from Maine, could not deal with the sugar problem any more objectively because neither of us has sugar involved in his district or in his State.

I have enjoyed the opportunity to become acquainted with sugar as we have worked on this legislation. We have worked diligently on the legislation.

I voted against this bill as it was reported out of committee. Some of the amendments which will be proposed will improve the bill substantially. However, there are one or two points that I did want to bring to the committee's attention. I want to preface these remarks with this statement, that my difference of opinion with the majority of the committee rests largely in the distribution of tonnage among our friendly neighbors, together with the provisions in the bill that will no doubt be subject to amendment later. I fully appreciate the hours spent by members of the committee and appreciate that the chairman, the ranking member Mr. HOPE and others have extended experience in this legislation and I deeply respected their idea.

From the very start it would seem to me that there has been no basic question as to whether it would be 55-45 or 50-50 as far as the domestic industry is concerned that has not been the major area of controversy. It has come pretty largely in the division as between the foreign countries that participate in our market.

The gentleman from Kansas [Mr. HOPE] has pointed out to you that this bill does not change quotas for 1955. It changes quotas only slightly for 1956. The legislation goes into full effect in relation to the full duty countries and Cuba when we come into 1957, although it does affect some, particularly Cuba in 1956.

I have tried to look at this legislation objectively. I am not in accord entirely with the formula as set up because I think, as our chairman has indicated, there have been many things that have had to be set up arbitrarily. I feel that the formula does not deal equitably as between Cuba and the full duty countries.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Idaho.

Mr. BUDGE. I want to express my appreciation to the gentleman and to the other members of the committee for bringing this bill on the floor at this time. It is desperately needed and I heartily commend it to the membership.

Mr. McINTIRE. I am fully in accord with the fact that this is important legislation, but I regret that in the haste which has seemed to be essential, that it has been necessary to meet some domestic problems we seem to have overlooked rather substantially what in

my personal opinion is an inequity in distribution of that which goes to our neighbors to the south.

Time does not permit details but I believe this legislation would be far more equitable to all parties concerned if one of the following suggestions were followed in distributing tonnage developed by our increase in our domestic needs namely: (1) 55 percent to domestic producers and 45 percent to Cuba and full duty countries; (2) provide fixed quotas for the full duty countries by adding 40,000 tons to a base attained in 1956 and provide no increase for subsequent years of the act dividing balance of annual growth two-thirds to domestic producers and one-third to Cuba; (3) distribute total annual increase on basis of 55 percent to domestic producers, 35 percent to Cuba and 10 percent to full duty countries. Formula would be effective from 1957 to end of act.

Mr. COOLEY. Mr. Chairman, I yield such time as she may desire to the gentleman from Minnesota [Mrs. KNUTSON].

Mrs. KNUTSON. Mr. Chairman, I would like to associate myself with the statements made by the chairman of the Committee on Agriculture [Mr. COOLEY] who has done a tremendous job on this bill. There is a great deal of interest in my district for this legislation and I sincerely hope it will pass. If you could have followed us around on this legislation you would appreciate how much work has been done. I have great respect for the ability and courage that the chairman showed in helping us with this legislation. It has been a sweet subject for some time, I assure you.

I represent the Ninth District in Minnesota one of the largest sugar beet growers in the United States, farmers and growers of my district need a substantial increase in sugar beet acreage.

The bill that I have introduced and support does not provide anywhere near the additional acreage for sugar beets needed in the Red River valley of Minnesota and North Dakota. It will only prevent additional acreage cutbacks and perhaps in a few years restore to present growers the acreage they lost this year because of limitation of acreage in the United States to that required to produce 1,800,000 tons of beet sugar.

Last year, about 95,000 acres of sugar beets were grown and harvested in the valley. With our new plant, completed in 1954 at a cost of about \$10 million we can easily process beets grown on 115,000 acres. However, our growers have been restricted to less than 90,000 acres for 1955.

We have hundreds of thousands of acres of land suitable for growing sugar beets in the Red River valley, and our farmers and growers desire to substantially increase beet acreage. This crop is the only rotation crop that can successfully be used as far north as the Red River valley. To a certain degree, more acreage in sugar beets takes the pressure off other crops that would normally be grown.

(Mrs. KNUTSON asked and was given permission to revise and extend her remarks.)

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I want to take this opportunity to commend the chairman of the Committee on Agriculture [Mr. COOLEY] on this legislation. I rise in support of it and I hope it will pass.

Mr. Chairman, I feel that this is a good bill, that it provides a fair and honest break to our friendly neighbors who produce sugar as well as to the farmers in our own country who are struggling to make both ends meet in the face of acreage reductions and limitations on their sugar output.

As I understand it, under the present law, quotas of imported sugar are increased to supply the increased sugar consumption in the United States, while our own growers are restricted to supplying their portion of our historical requirements. The proposal now before us would give a share of increased consumption to domestic producers and, above certain increases, would authorize increased imports.

It has been charged that passage of this bill would injure Cuba by decreasing that country's exports to the United States. I do not believe this to be true. Cuba would remain entitled to send us as much sugar as she has in the past and could increase her quota if our consumption warrants, but our own beet and cane growers would have a fair share of increases, to which they are obviously entitled.

I personally know of the difficulties and problems facing beet growers in my own district and I am going to vote here to help them with those problems. Certainly, we cannot deny our own farmers the right to participate in our country's growth and I have confidence in the sense of fair play and justice of my colleagues in voting for this bill to help in relieving our own farm problems.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The bill follows:

Be it enacted, etc., That section 101 (d) of the Sugar Act of 1948, as amended, is amended to read as follows:

"(d) The term 'raw sugar' means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar."

Sec. 2. Section 101 (e) of such act is amended to read as follows:

"(e) The term 'direct-consumption sugar' means any sugars principally of crystalline

structure and any liquid sugar (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality."

Sec. 3. Section 101 (i) of such act is amended by deleting the parenthetical word "(Clerget)."

Sec. 4. Section 101 of such act is amended by adding at the end thereof a new paragraph to read as follows:

"(n) The term 'to be further refined or improved in quality' means to be subjected substantially to the processes of (1) affination or defecation, (2) clarification, and (3) further purification by adsorption or crystallization. The Secretary is authorized, in accordance with findings based on public hearings to determine whether specific processes to which sugars are subjected are sufficient to meet the requirements of this paragraph (n) and whether sugars of specific qualities are raw sugar within the meaning of paragraph (d) of this section, or direct-consumption sugar within the meaning of paragraph (e) of this section."

Sec. 5. Section 201 of such act is amended by striking in the second sentence thereof the words "1947 prior to the termination of price control of sugar" and inserting in lieu thereof "1947-49."

Sec. 6. Section 202 (a) of such act is amended by inserting a colon and "(1) For the calendar year 1956" in lieu of the first comma and by adding the following new paragraphs:

"(2) For the calendar year 1956, by apportioning among such areas 50 percent of the amount by which the determination made pursuant to section 201 exceeds 8,350,000 short tons, raw value, as follows:

"(A) The first 188,000 short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 45.2 percent to the domestic beet area; 42.6 percent to the mainland cane area; 10.6 percent to Puerto Rico; and 1.6 percent to the Virgin Islands; and

"(B) Any additional amount shall be apportioned on the basis established in paragraph (a) (1) as adjusted by subparagraph (A) of this paragraph (a) (2).

"(3) For the calendar year 1957 and each subsequent calendar year, by apportioning among such areas 4,444,000 short tons, raw value, in accordance with paragraph (a) (1) of this section, and by adding thereto 50 percent of the amount by which the determination made pursuant to section 201 exceeds 8,350,000 short tons, raw value, apportioned as follows: First, by apportioning in accordance with the provisions of paragraph (a) (2) of this section an amount not in excess of the amount so apportioned in 1956, and second, by apportioning the remainder, if any, in accordance with the final quotas established for the calendar year 1956, pursuant to paragraphs (a) (1) and (a) (2) of this section."

Sec. 7. Section 202 (c) of such act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:

"(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating to Cuba 96 percent and to such other foreign countries 4 percent of the amount of sugar, raw value, by which 8,350,000 short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of 4,444,000 short tons, raw value, and the quota established pursuant to subsection (b) of this section; and by prorating to Cuba 50 percent and to foreign countries other than Cuba and the Republic of the Philippines 50 percent of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of 8,350,000 short tons plus the increase in quotas provided for in sub-

section (a) (3) of this section: *Provided*, (1) That for 1957 the quota for foreign countries other than Cuba and the Republic of the Philippines shall be 175,000 short tons, raw value, and the quota for Cuba shall equal the sum of the quotas for foreign countries other than the Republic of the Philippines less 175,000 short tons, raw value; and (ii) that for the calendar year 1958 and each subsequent calendar year through 1960 the quota for foreign countries other than Cuba and the Republic of the Philippines shall be increased 45,000 short tons, raw value, annually and the quota for Cuba shall equal the sum of the quotas for foreign countries other than the Republic of the Philippines for such year less the quota for foreign countries other than Cuba and the Republic of the Philippines for such year. The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated for the calendar year 1957 and for each subsequent calendar year, as follows:

"(A) Each country whose average annual importations into the United States within the quota were less than 1,000 short tons, raw value, during the years 1953 and 1954 shall receive a proration equal to such average importations.

"(B) Each country whose average annual importations into the United States within the quota were more than 1,000 short tons but less than 3,000 short tons, raw value, during the years 1953 and 1954 shall receive each year 2,000 tons in addition to the basic tonnages prorated under subparagraphs (C) or (D) hereof.

"(C) Each country whose average annual importations into the United States within the quota were 1,000 short tons but less than 2,000 short tons, raw value, during the years 1953 and 1954 shall receive a proration for 1957 equal to its average importations for the calendar years 1953 and 1954 plus 30 percent thereof and for each calendar year subsequent to 1957 through 1960 the proration for each such country shall be increased by an additional 30 percent of its proration under this subparagraph (C) for the immediately preceding calendar year.

"(D) That part of the quota not otherwise prorated in subparagraphs (A), (B), and (C) above shall be prorated as follows:

Country:	Percent
Dominican Republic.....	37
Peru	36
Mexico	20
Nicaragua	5
Haiti	2"

Sec. 8. Section 202 of such act is amended by adding the following new paragraphs:

"(e) Whenever in any year any foreign country with a quota or proration thereof of more than 10,000 short tons fails to fill such quota or proration by more than 10 percent and at any time during such year the world price of sugar exceeds the domestic price, the quota or proration thereof for such country for subsequent years shall be reduced by an amount equal to the amount by which such country failed to fill its quota or proration thereof, unless the Secretary finds that such failure was due to crop disaster or force majeure or finds that such reduction would be contrary to the objectives of this act. Any reduction hereunder shall be prorated in the same manner as deficits are prorated under section 204.

"(f) No country shall have its quota or proration thereof increased above its quota or proration thereof for the calendar year 1956 unless, on or before January 1, 1957, such country becomes a party to and bound by the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the U. S. Senate on April 29, 1954).

"(g) Notwithstanding any other provision of law except paragraph (d) hereof, if the

Secretary determines that any country for which a sugar quota or proration thereof is established herein causes a substantial reduction in the importation of any agricultural commodity from the United States below the quantity imported during a representative period of years, in raw or manufactured form, through import quotas, import taxes, exchange restrictions, or other trade restrictive measures, the sugar quota or proration thereof for such country shall be suspended during each year when such restrictive measures are at any time in effect and the portion of such quota or proration thereof so suspended shall be prorated in the same manner as deficits are prorated under section 204."

SEC. 9. (a) The second sentence of section 204 (a) of such act is amended by inserting before the period at the end thereof a colon and the following: "Provided, That any deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under the provisions of section 202 (a) (2) or the increases allotted under section 202 (a) (3) shall first be prorated to other domestic areas on the basis of the quotas then in effect."

(b) The last paragraph of section 204 (a) of such act is amended by inserting before the period at the end thereof a semicolon and the following: "except that in the case of proration of any such deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under and by reason of section 202 (a) (2) or the increases allotted under section 202 (a) (3), the Secretary shall apportion the unfilled amount on such basis and to such other domestic areas as he determines is required to fill such deficit, and if he finds that no domestic area will be able to supply such unfilled amount, he shall add it to the quota for Cuba."

SEC. 10. Section 205 (a) of such act is amended by inserting immediately before the final sentence thereof the following: "In making such allotments, the Secretary may also take into consideration and make due allowance for the adverse effect of drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions seriously and broadly affecting any general area served by the factory or factories of such person."

SEC. 11. (a) Section 207 (a) of such act is amended by adding after the word "year" the following: ", plus an amount equal to the same percentage of 29,616 short tons, raw value, that the increase in the quota for Hawaii under section 202 is of 1,052,000 short tons, raw value."

(b) Section 207 (b) of such act is amended by striking the period at the end thereof and by adding the following: "which shall be principally of crystalline structure, plus an amount equal to the same percentage of 126,033 short tons, raw value, that the increase in the quota for Puerto Rico under section 202 is of 1,080,000 short tons, raw value, which latter amount may be filled by direct-consumption sugar whether or not principally of crystalline structure."

SEC. 12. Section 207 (h) of such act is amended by striking out "The" after "(h)" and inserting in lieu thereof "(1) for the calendar year 1956, the" and by adding the following new paragraph:

"(2) For the calendar year 1957 and each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar to the extent of 1.36 percent of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: *Provided*, That such limitation shall not apply to countries receiving prorations under section 202 (c) of 7,000 short tons or less. The direct-consumption

portion of such quota which is subject to the 1.36 percent limitation referred to above shall be prorated to countries which receive prorations under section 202 (c) of more than 7,000 short tons on the basis of average imports of direct-consumption sugar within the quota for the years 1951, 1952, 1953, and 1954."

SEC. 13. Section 301 (b) of such act is amended by inserting after the words "(or processed)" the following: ", except for livestock feed, or for the production of livestock feed, as determined by the Secretary."

SEC. 14. Section 302 (b) of such act is amended by inserting after "(or processed)" the words "within the proportionate share" and by striking the period at the end thereof and inserting the following: "and of the producers in any local producing area whose past production has been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects or other similar abnormal and uncontrollable conditions. For the purposes of establishing proportionate shares hereunder and in order to encourage wise use of land resources, foster greater diversification of agricultural production, and promote the conservation of soil and water resources in Puerto Rico, the Secretary, on application of any owner of a farm in Puerto Rico, is hereby authorized, whenever he determines it to be in the public interest and to facilitate the sale or rental of land for other productive purposes, to transfer the sugarcane production record for any parcel or parcels of land in Puerto Rico owned by the applicant to any other parcel or parcels of land owned by such applicant in Puerto Rico."

SEC. 15. Section 405 of such act is amended by inserting "(a)" at the beginning thereof and by adding the following new paragraph:

"(b) Any person whose sugar-processing operations otherwise meet the requirements of section 101 (n) and who subjects to such processes sugar imported or brought into the continental United States under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality and to be in excess of the direct-consumption portion of the applicable quota or proration or allotment thereof, shall forfeit to the United States a sum equal to 1 cent per pound for each pound, raw value, of such sugar in excess of the direct-consumption portion of the applicable quota or proration or allotment thereof, which forfeiture shall be recoverable in a civil suit brought in the name of the United States."

SEC. 16. Section 407 of such act is amended by adding at the end thereof the following sentence: "The provisions of this section shall not apply to persons whose services are obtained pursuant to section 305."

SEC. 17. Section 411 of such act is renumbered as section 412, section 412 of such act is renumbered as section 413, and a new section 411 inserted as follows:

"SEC. 411. The Secretary is authorized to issue such regulations as may be necessary to carry out article 7 of the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the United States Senate on April 29, 1954), restricting importations of sugar into the United States from foreign countries not participating in such agreement, or to carry out the corresponding provisions of any such future agreements ratified by and with the advice and consent of the United States Senate."

SEC. 18. Renumbered section 412 of such act (relating to termination of the powers of the Secretary under the act) is amended by striking out "1956" in each place it appears therein and inserting in lieu thereof "1960".

SEC. 19. A new section 414 is added to such act as follows:

"SEC. 414. (a) To alleviate the conditions which exist in the continental United States sugar-producing areas by reason of the quantities of surplus overquota sugar produced in such areas, the Commodity Credit Corporation shall carry out loans, purchases, or other operations with respect to 100,000 short tons of sugar produced from the 1955 or previous crops in such areas.

"(b) Sugar acquired hereunder shall be disposed of outside the continental United States in such manner as the Corporation determines will not unduly interfere with normal marketings of sugar, including dispositions under the Agricultural Trade Development and Assistance Act of 1954, as amended.

"(c) No borrower shall be personally liable for any deficiency arising from the sale of the sugar securing any loan made under authority of this section, unless such loan was obtained through fraudulent representations by the borrower. This provision shall not, however, be construed to prevent Commodity Credit Corporation from requiring the borrower to assume liability for deficiencies in the quality or quantity of sugar delivered under the loan, for failure to properly care for and preserve such sugar, or for failure or refusal to deliver the sugar in accordance with the requirements of the program.

"(d) Sugar acquired hereunder shall not be subject to the provisions of title II of this act."

SEC. 20. Section 201 of the Agricultural Act of 1949, as amended (63 Stat. 1052; 68 Stat. 899, 912), is further amended as follows:

1. After the comma following the word "butterfat" in the clause preceding the colon, insert the following: "sugar beets and sugarcane,".

(2) After subsection (c) thereof insert a new subsection (d) as follows:

"(d) The price of sugar beets and sugarcane, respectively, shall be supported at a level of 90 percent of the parity price therefor through loans, purchases, or other operations with respect to sugar derived from the processing of proportionate shares of sugar beets or sugarcane of the 1956 and subsequent crops produced in the domestic sugar-producing areas of the United States. Loans, purchases, or other operations with respect to such sugar shall be at such rates or prices as the Secretary determines, after taking into account receipts of producers from by-products and conditional payments will reflect the equivalent of 90 percent of the parity price either for sugar beets or sugarcane. Sugar acquired hereunder shall not be subject to the provisions of title II of the Sugar Act of 1948, as amended."

SEC. 21. Section 4501 (c) and 6412 (d) (relating to the termination of taxes on sugar) of the Internal Revenue Code of 1954 are amended by striking out "1957" in each place it appears therein and inserting in lieu thereof "1961."

SEC. 22. Section 4502 (4), chapter 4, subchapter A, "Sugar," of the Internal Revenue Code of 1954 is amended as follows: Strike out the parenthetical word "(Clerget)" where it occurs in the first sentence and delete the second sentence thereof.

SEC. 23. (a) Section 4504, chapter 37, subchapter A, "Sugar," of the Internal Revenue Code of 1954 is amended by adding before the period at the end thereof the following: "and except that such tax may be subject to refunds as a tax under the provisions of section 6418 (a)."

(b) Section 6418 (a) of chapter 65 of the Internal Revenue Code of 1954 is amended by striking out the "(a)" immediately following "section 4501."

SEC. 24. The amendments made hereby shall become effective January 1, 1956, except as otherwise designated and except that required determinations and regulations may be issued in 1955 for the calendar year 1956.

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: On page 15, beginning on line 18, strike out the remainder of section 8 through and including line 18 on page 16.

Mr. LAIRD. Mr. Chairman, I support this legislation, but may I say that at the time this legislation was before the committee there were certain sections that were written into the bill which I took exception to. On page 15 of the bill, section 8, beginning with line 18, there are two restrictive sections written into this bill that will affect two particular countries.

I read from page 15, line 18:

No country shall have its quota or proration thereof increased above its quota or production thereof for the calendar year 1956 unless, on or before January 1, 1957, such country becomes a party to and bound by the international sugar agreement for the regulation of the production and marketing of sugar.

That particular section applies only to Peru.

The next subparagraph of section 8 applies only to the Philippines. The Legislature of the Philippines is now in session and considering suspending some of the practices which brought this section about, and I feel that this sugar bill is not the place to deal with this particular problem. The Philippines were great friends of ours during World War II. I served and was in the Philippines during World War II, and I do not feel that we should discriminate against the Philippine Islands in establishing these sugar allotments. It is my hope that the Government of the Philippines will take immediate action to suspend these discriminatory practices.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from North Carolina.

Mr. COOLEY. I also say that we should not discriminate against the Philippine Islands: I agree with that. But does not the gentleman agree with me that the Philippine Islands should not discriminate against us?

Mr. LAIRD. I certainly do agree with the chairman, but I do not think we should write this language into the sugar bill at this time.

Mr. COOLEY. I am perfectly willing for it to be deleted from the bill, and I so stated to the House a minute ago, and, so far as I am concerned, I accept the amendment.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the RECORD should show in justice to the gentleman from North Carolina [Mr. COOLEY] that prior to this bill being programed, in consultation with Speaker RAYBURN and myself, the gentleman from North Carolina [Mr. COOLEY] and other members of his committee stated to the Speaker and myself that the provisions of the bill relating to the Philippine Islands would be deleted. And it was my intention to offer such an amendment. However, that is included in the amendment which is pending at the desk and which is before the Committee at the present time. Of course, I support the amendment, be-

cause authorship of the amendment is immaterial. It is the result which I am concerned with.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will be very happy to.

Mr. COOLEY. I might also add that I assured the gentleman that I would offer an amendment striking out the section directed at Peru, because Peru is not a member of the International Sugar Agreement.

Mr. McCORMACK. Exactly.

Without getting into the field referred to by the gentleman from North Carolina, the international situation is such that the carrying of these provisions, in my opinion, would be highly inadvisable at this time. I am confident and I sincerely hope that any actions on the part of any other country that are discriminatory in results to our own country or any of the products of our own country will be removed as quickly as possible. However, we must lift ourselves above such situations at times, and it seems to me that this is one of the times, and the striking out of this provision, I think, would be most healthy, most beneficial, because in relation to the Philippines we must remember that we have there real friends, friends that we can rely upon.

During the trying days of World War II, and for many years prior thereto, they were, for all practical purposes, a part of the United States and they showed their love of America by the great sacrifices that they made.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am happy to yield to the gentleman.

Mr. BONNER. This situation in the Philippines is not something new. This has been going on for some time.

Mr. McCORMACK. Let us not get into that now.

Mr. BONNER. I thought maybe I could get my piece in here now instead of delaying the House with another 5-minute speech.

When some time ago I objected to the renewal of the Philippine trade agreement, there were discriminations going on in the issuance of import licenses. We got that straightened out. Then there was a discriminatory act passed. This is a two-way street. I think it is wholesome that this discussion has taken place in the House so those in the Philippines might know that we were not giving way all the time but were willing to accept some and give some. I will withdraw my objection in this case for the reason that this week I had a very satisfactory understanding with a very prominent member of the Philippine Congress, who was here in Washington on a short visit and greatly interested in this bill. Hereafter my action will be different.

Mr. McCORMACK. I am sure the remarks made by the two gentlemen from North Carolina will be noticed. On the other hand, we are a great Nation and we can afford to show our greatness by lifting ourselves above ordinary human reactions at times. This is one of those occasions. Certainly as a message of

friendship to those who are our friends and as a contribution to our good relations on an international level, it is important not only to the United States, but to the people of the Philippines for us to accept the amendment of the gentleman. It will be greatly appreciated.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to the distinguished ranking member of the committee with whom, I might say, I had a conversation, and he told me, when he learned I was going to propose the amendment, that he would accept it and I assume he is accepting the amendment.

Mr. HOPE. Mr. Chairman, I am in entire accord with the gentleman and the amendment which he has sponsored. Also I want to express the thought that those of us on this side of the aisle who are interested in this legislation appreciate the splendid cooperation we have had from the majority leader in programing this bill under very difficult circumstances.

Mr. McCORMACK. I appreciate the comments of the gentleman.

(Mr. ZABLOCKI asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ZABLOCKI. Mr. Chairman, as a member of the Foreign Affairs Committee, and chairman of the Subcommittee on the Far East and the Pacific, I have been closely concerned with the economic, political, and collective security conditions prevailing in that important region.

As we all know, more than one-half of humanity lives in that area. Further, far-reaching economic, political, and social developments are presently taking place in that region—developments which may seriously affect the future course of events insofar as our Nation, and the other free nations of the world, are concerned.

For these, and other equally important reasons, I believe that it is in our own interest to pay close attention to what is happening in the Pacific and in the Far East.

I rise to address myself to H. R. 7030, a bill to amend and extend the Sugar Act of 1948 and more particularly to section 8, subsection g thereof, which provides:

(g) Notwithstanding any other provision of law except paragraph (d) hereof, if the Secretary determines that any country for which a sugar quota or proration thereof is established herein causes a substantial reduction in the importation of any agricultural commodity from the United States below the quantity imported during a representative period of years, in raw or manufactured form, through import quotas, import taxes, exchange restrictions, or other trade restrictive measures, the sugar quota or proration thereof for such country shall be suspended during each year when such restrictive measures are at any time in effect and the portion of such quota or proration thereof so suspended shall be prorated in the same manner as deficits are prorated under section 204.

Everyone who knows anything about the hearings on the proposed legislation is well aware of the fact that this provision is directed at our good friend

and ally the Philippines. In 1952, the Philippine Republic enacted a law, Republic Act No. 698, establishing import quotas on all foreign grown leaf tobacco and thereby curtailed the amount of tobacco permitted to be imported into the Philippines. Let me say, first of all, that in spite of the import restrictions imposed in the Philippines, for reasons I will subsequently enumerate, they are still one of the biggest buyers of American tobacco. Why were these import quotas imposed? These import quotas were imposed upon the advice and strong recommendations made by the so-called Bell Mission and representatives of the Foreign Operations Administration in the Philippines. These agencies of our own Government sought to protect the dollar reserves of the Philippines in view of her tremendous trade deficits recognizing that the Philippines had to curtail its purchases abroad of such items as were considered nonessential. Mr. Chairman, tobacco happened to be considered one of the less essential products that the Philippines had to buy as it was quite evident that she had to give preference to capital goods and raw materials so necessary for the rehabilitation of her industries totally destroyed in the last war. I am glad to be able to say that my distinguished colleague, Congressman HERBERT BONNER of North Carolina, Chairman of the Merchant Marine and Fisheries Committee and well-known to have the interest of the American tobacco industry at heart, in a statement made on the floor of the House on June 21 in connection with certain Philippine legislation then under consideration, stated that he was recommending that the bill be passed because certain inequities that had been practised in the Philippines against American commerce, would be corrected. His recommendation on the legislation then being considered was based on assurances incorporated in a letter dated June 18, 1955, addressed to him from Gen. Carlos P. Romulo, special representative of the President of the Republic of the Philippines, together with a cablegram from President Magsaysay on this matter.

The executive branch of the present administration has spoken with respect to these import quotas, specifically on May 16, 1955, when the Philippine Trade Agreement was before the Committee on Ways and Means of the House of Representatives. On page 50, of the hearings the Honorable William J. Sebald, Acting Assistant Secretary of State for Far Eastern Affairs, in testifying on the imposition of import quotas stated:

Mr. SEBALD. One of the principal reasons for the import bans was to save foreign currency. There were a great many unnecessary, or items which the Philippine Government considered unnecessary, importations which were being made. They therefore put a ban on such imports because it was exhausting their foreign exchange.

Mr. JENKINS. We have had fine relationship with the Philippines. These matters that you have referred to were not anything that would cause any rift between the two countries?

Mr. SEBALD. That is correct. It was a matter of necessity for the Philippine Govern-

ment in order for it to keep its head above water.

Mr. JENKINS. In some of these cases of bans imposed by the Philippine Government, it looks as if they were going pretty far.

Mr. SEBALD. They were nondiscriminatory in the sense that it was the article which was banned, the importation of the article that was banned rather than because it happened to be an American article.

Mr. JENKINS. Anyhow, the agency that you represent was satisfied with what was going on?

Mr. SEBALD. Yes, sir; I think it was necessary.

It is significant at this point to direct your attention to the fact that the Philippines has been unable to fill her quota for the last 13 years resulting in the loss to her of some 8 million tons which went to another large American supplier and on which taxes were collected by the United States Government of approximately 100 million dollars. You are all aware of the fact that this body passed within the last 2 weeks amendments to the Philippine Trade Act, which amendments are now with the President of the United States. This penalty provision, retaliatory in character, in my opinion, would undo all the good that the recent approval of the amendments to the Philippine Trade Act has done to our happy relations with the Philippines and it is doubtful if the President can sign the trade agreement as authorized in this session if the penalty provision in this act is approved. It is urged that section 8 (g) be deleted from this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The amendment was agreed to.

Mr. DIXON. Mr. Chairman, offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dixon to the committee amendment: On page 22, line 20, strike out all of section 20 of the bill and renumber succeeding sections to conform.

Mr. DIXON. Mr. Chairman, I am fully in accord with the bill and shall support it, although I have this amendment to offer.

You have seen the apprehensive look and expression on the faces of all of us who come from the sugar States, and even on the face of our dear colleague, the lady from Minnesota [Mrs. KNUTSON], because she is worried because she sees the acute need for the passage of this bill. I shall not say more about the urgency of this measure.

I want also to thank our chairman and the committee for the fine work they have done on this bill.

Getting to the amendment, the purpose is to strike section 20 of the bill. I shall read the first few lines that contain the gist of this section:

The price of sugar beets and sugarcane, respectively, shall be supported at a level of 90 percent of the parity price.

I shall not read any more. That gives you the idea. This section 20 is foreign to the original purpose of the bill. The purpose of the bill as stated in the report is to give relief to the domestic sugar growers by allowing them to participate in the increasing consumption of sugar

in the United States. Section 20 is foreign to that purpose.

At this juncture I should like to yield sufficient time to the gentleman from Louisiana [Mr. BOGGS], who represents the cane producers and who has faithfully attended our committee hearings, to answer two questions. The first question is, "Is section 20 essential to the achievement of the purposes of the bill from the standpoint of the cane growers?"

Mr. BOGGS. My answer is that this section was not in the bill introduced by my colleague the gentleman from Louisiana [Mr. WILLIS] and myself.

Mr. DIXON. Second, would the gentleman have any objection if this section were deleted?

Mr. BOGGS. Mr. Chairman, for myself, I have no objection whatsoever.

Mr. DIXON. Mr. WILLIS, I would like to yield to you.

Mr. WILLIS. I cannot improve on the replies of my colleague the gentleman from Louisiana [Mr. BOGGS].

Mr. DIXON. I should like to yield sufficient time to the gentleman from Colorado [Mr. HILL] to answer those two questions for the beet growers.

Mr. HILL. I would like to say two things I forgot to say a while ago.

Mr. DIXON. That is not what I yielded for.

Mr. HILL. In working on this legislation, the growers in my area never had finer supporters than the gentlemen from Louisiana [Mr. WILLIS and Mr. BOGGS]. In other words, the cane people have worked absolutely shoulder to shoulder with the beet growers in the long time we have worked on this bill.

Mr. DIXON. Now may I ask the gentleman to answer these two questions: Do the beet growers consider that this section is essential to achieving the purpose of this Sugar Act?

Mr. HILL. The gentleman knows I am not in a prayer meeting. I am testifying for this bill. As far as I am concerned, there are several other parts of this bill that could be left out and I would still be happy. But as things are today, I do not see any reason why this section should not come out of the bill just as we took the sections out a while ago. In other words, this bill has too much of an international flavor to come out of an agricultural committee. I have argued all the time, and I think with good reason, that when we come to dividing up sugar, and you will find it in our report—

Mr. DIXON. I refuse to yield further.

(By unanimous consent, Mr. Dixon was permitted to proceed for 2 additional minutes.)

Mr. BOGGS. May I say to the gentleman that I have always supported the 90-percent-of-parity concept. However, since the very inception of sugar legislation that concept has never been included for the obvious reason, as I see it, that sugar legislation, as the chairman of the committee and as the ranking minority member of the committee and other members of the committee have pointed out, is a very complex piece of legislation, covering domestic production, foreign production, mainland

production, production in the possessions, and so forth. Therefore, my response to the gentleman really is that I do not believe we should debate that issue at this time in this bill. That does not mean I do not think it possibly is a very good thing to have for the sugar producers.

Mr. DIXON. I thank the gentleman.

I should like at this time to yield sufficient time for our honored chairman, the gentleman from North Carolina [Mr. COOLEY], who has worked so hard on this bill, to answer two questions.

In your opinion, is this section necessary to accomplish the purposes of this bill?

Mr. COOLEY. Frankly, I could say "Yes" or "No," but I would prefer to say this: In putting the provision in the bill, we did so only after conference with the people from the cane area. I actually believed at the time we put it in that you might need it in 2 or 3 years from now in the event you get into trouble again. In other words, if you have a surplus 2 years from now, you will not have to be running back here to the Congress to amend this law. But if you have the nonrecourse loan program, you could place the sugar under loan, if you had to freeze the crop, and then put it back into the market and continue without having to come back to the Congress to amend the law.

The CHAIRMAN. The time of the gentleman from Utah [Mr. DIXON] has again expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COOLEY. If I may finish my statement, I appreciate the fact, of course, that we are here dealing with what is ordinarily a deficit crop. It is a deficit crop under all circumstances because we do not produce all the sugar we need and consume in this country. But there is no objection that I can possibly see to having it in the law. But, if it is politically obnoxious to you, you have the right to have the House decide that. In fairness to the gentleman's amendment, I think I should point out that when the amendment was offered in committee to strike out this section, it failed by a tie vote of, I believe, 15 to 15. That, of course, shows that it is a controversial issue. I know that the gentleman, even with this provision in the bill, voted to report the bill favorably to the floor.

Mr. DIXON. Now, to go to the second question: Would you have any objection to the removal of section 20 from the bill?

Mr. COOLEY. Personally, I have no objection, but I do not think I can improve on the answer made by the gentleman from Louisiana [Mr. Boggs] to the gentleman: I believe in 90 percent of parity, and I do not like flexible price supports.

(Mr. MORANO asked and was given permission to extend his remarks at this point.)

Mr. MORANO. Mr. Chairman, products exported to Cuba are produced in

every section of the United States. The Cuban market is vital to the continued prosperity of ricegrowers and processors in Louisiana, Texas, Arkansas, Mississippi, and California, which produce almost the entire United States rice crop. Farmers in such States as Iowa, Illinois, Indiana, Ohio, Missouri, and Minnesota, which rely on lard exports for a large part of their income, send their lard to Cuba and other countries. In 1951, Cuba took nearly 15 percent of all the cotton manufactures exported from the United States, thus contributing to the prosperity of such textile-manufacturing States as North and South Carolina, Georgia, Alabama, Virginia, Tennessee, Texas, Massachusetts, and Connecticut. The United States sells to Cuba large quantities of iron, steel, and other metal products, the export of which is important to the economy of Michigan, Ohio, Illinois, Pennsylvania, New York, and New Jersey.

During July 1954, the Consolidated Railroads of Cuba placed a \$7 million order for 51 diesel electric locomotives with the General Motors Electro-Motive division's plant near La Grange, Ill. The order, which is stated to be the largest of its kind received by the division for export, is cited as an example of foreign trade helping to create mutual prosperity for both the United States and Cuba. It required the export of roughly 70,000 tons of raw cane sugar from Cuba to the United States to make possible the \$7 million purchase of locomotives from the United States. Thousands of employees in the United States were provided with work because of the interchange of locomotives and sugar.

The important point which United States foreign policy must take into account is that since Cuba pays for most of its purchases of United States exports with the proceeds of its sales of sugar to the United States, any reduction in the United States quota for Cuban sugar will, by the very law of economics, compel Cubans to reduce their purchases of United States products, such as those enumerated above. Such a reduction on imports by Cuba would affect almost every State of the Union.

It should continue to be our policy to encourage and assist Cuba in finding ways and means of reducing her dependence on sugar. This does not mean producing less sugar, but rather developing additional enterprises, by expanding existing and creating new industries producing sugar byproducts. This is of prime importance, because Cuba is beset by a high degree of instability due to the nature of the sugar industry. Every year there is a long dead season when most of the sugar workers are unemployed and the capital equipment of the centrales remains idle.

During its extended trip through Cuba the study mission was impressed with the fact that most of the farms are dedicated to one crop—sugar or tobacco or cattle or coffee. The seasonal unemployment inherent in the sugar industry, together with the fact that the growth of the Cuban economy has not kept pace with the needs of a growing population, point up the necessity for greater diver-

sification of the Cuban economy wherever feasible. While the study mission did not have an opportunity to make an extensive study of this question, the problem was discussed with many Cubans from all levels. The consensus was that what is needed is a comprehensive plan for economic development. But this cannot emerge unless the Cubans themselves press forward on this problem at all fronts and can count on United States encouragement and support, both at the governmental and private-capital level.

Mr. Chairman, the United States in recent years has bought approximately 60 percent of Cuba's exports, and Cuba has bought approximately 75 percent of its imports from the United States.

Mr. Chairman, another factor which must be considered in formulating a sound foreign policy toward Cuba is United States private investment in Cuba. American direct investments in Cuba totaled \$642.4 million at the end of 1950 making Cuba the fourth most important country in the world for such United States investment, preceded only by Canada, the United Kingdom, and Venezuela.

It is estimated that United States indirect or portfolio investments in Cuba totaled about \$65 million at the end of 1950.

As already pointed out, 41 of Cuba's 161 active sugar mills are owned and operated by American interests. These currently account for approximately 43 percent of Cuba's sugar crop. United States interest is also substantial in electric power, radio and television, telephone and telegraph systems, railroads, and banks.

Mr. Chairman, I am opposed to this bill and I hope it is defeated. This bill changes the rules in the middle of the game.

Mr. HAYS of Ohio. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HAYS of Ohio moves that the committee do now rise and report the bill with the recommendation that the enacting clause be stricken out.

Mr. HAYS of Ohio. Mr. Chairman, the Ohio district I have the honor to represent in this Congress is predominantly a dairy district. As a matter of fact, dairying accounts for approximately 80 percent of the farm income of my district. While asking your attention to speak on the sugar bill, I feel it only fair that I should associate milk and sugar since I do not represent any sugar growers directly.

You are all aware that in the past 3 years there has been a great deal of adverse public opinion and a great deal of opinion within this body pointed at the American dairy farmer as a recipient of undue Government subsidy in support of his operation.

As you know, I have denied such charges, and with justification, considering the fact that the American dairy farmer is the largest single segment of the Nation's agriculture; that annually he produces approximately 20 percent of the total gross farm income of the Nation; that 1 out of every 15 people gain-

fully employed in the United States, whether in industry or agriculture, works for the American dairy cow; that when we support the milk price of the American dairy farmer, we are supporting the basic economic structure of this Nation; and that presently under the 75-percent support level declared by the present Secretary of Agriculture, the American dairy farmer is today the worst off of any segment of our agriculture.

Today we are considering House bill 7030 introduced by my distinguished colleague from North Carolina, the chairman of the House Agriculture Committee, which concerns itself primarily with increasing the subsidy to the sugar growers of the United States. I would point out, to begin with, that the sugar growers of this Nation, both beet and cane producers, are a very minor segment of the American agricultural economy. I would also point out that as of this moment, despite the fact that they are producers of a deficit agricultural commodity, they are one of the most highly subsidized segments of our economy.

You will find in the report on this bill that the sugar growers are directly supported by a \$65 million subsidy. This amounts to a \$40-an-acre subsidy for beet growers, a \$29-an-acre subsidy for the cane growers of Florida and Louisiana, and the astounding amount of \$100 an acre for the cane growers of Hawaii.

I do not need to point out to you that comparatively these figures alone show a far higher subsidy than that accorded the American dairy farmer.

However, this is only a partial report of the subsidy received by our domestic sugar growers. In addition, they receive an approximate 2.63-cents-a-pound subsidy in the form of taxes and tariffs that raise the price every American consumer pays for each single pound of sugar he uses. When this total of direct and indirect subsidy to a selected group of American agriculture is tabulated, you will find that the American consumer is paying an approximate \$400 million annually to subsidize a domestic sugar production that is now and always will be completely inadequate to meet domestic needs.

Yet this bill 7030, which bears the name of my distinguished colleague from North Carolina, would further increase this hidden tax upon the American taxpayer by approximately \$16 million annually in the course of the life of this bill.

Gentlemen, I must oppose this financial rape of the American consumer, and I would like to say in closing that while, in opposing this measure, I want to pay great tribute to my distinguished colleague from North Carolina in the fact that he was the author of, and directed through this Congress, a bill which would raise the dairy-support level from 75 to 80 percent of parity, I feel that, in supporting that increase, and I feel now, that such action was taken in behalf of the general economic prosperity of the United States, while this bill would only add to consumer costs without aiding the general economy.

I feel, in voicing my opposition to this sugar bill, that if we enact this measure

we are simply subsidizing a selected group of farmers, not only at the expense of the rest of the Nation's agriculture, but also at direct cost to the American consumer and the American taxpayer.

Mr. POAGE. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield for me to ask a question of the gentleman from Idaho?

Mr. POAGE. I would be glad to have the gentleman ask the same question I have in mind.

Mr. BASS of Tennessee. I would like to ask him. He did not have time to yield to me a moment ago.

Mr. POAGE. I yield to the gentleman.

Mr. BASS of Tennessee. We had a little discussion here a minute ago, the gentleman from Utah [Mr. Dixon], my close friend—and we sat together on the committee all through this sugar bill. Let me ask him this question: Would the 90 percent parity provision in this bill increase or decrease the support price on sugar?

Mr. DIXON. I do not believe it would change it.

Mr. BASS of Tennessee. Does the gentleman mean he is not aware of the fact that beet sugar is now supported at 93½ percent of parity?

Mr. DIXON. Ninety-three percent?

Mr. BASS of Tennessee. That is true; and if this provision carries it will be carried at 90 cents, would it not?

Mr. DIXON. No; I do not think it would change.

Mr. BASS of Tennessee. That is what the language says, 90 percent of parity.

Mr. POAGE. Mr. Chairman, I do not yield further.

I think it is absolutely clear to the House that the gentleman from Utah has come before us opposing a program to support beet sugar at 90 percent of parity when he is getting 93½ percent of parity support on all the beet sugar that he has heretofore produced. I wonder if his opposition to this bill is based on such deep principles as have been suggested by some of the speakers, or if the fact that beet producers have heretofore done pretty well made him unmindful of what may happen in future years.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. I am glad to have sugar get 93½ percent of parity.

Mr. POAGE. Beet sugar is getting 93½ percent of parity and has been for a good many years. Cane sugar does not get so much.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. GROSS. Could that possibly be the reason why most of the Republicans voted originally against 90 percent of parity for the midwestern farmers and other farmers?

Mr. POAGE. I cannot tell the gentleman from Iowa why the western Republicans voted as they did. I am not going to pass judgment on why anybody voted. It is a fact that certain mem-

bers did vote against 90 percent of parity for cotton, peanuts, and for other commodities. I know those same Members have been getting 93½ percent of parity for the products they told us are so important to their area. I know when we propose to give them 90 percent of parity in this bill. Now they say it is all wrong.

Mr. GROSS. They also invoked the law of supply and demand?

Mr. POAGE. Yes; but they have been living under a completely controlled economy. They want the law of supply and demand for everybody else.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I would like to get this situation out in the open. I understood the gentleman from Utah was making this motion because those of you on the Democratic side who wanted a sugar bill, realizing it had to come out, asked him to do it.

Mr. POAGE. Let us be fair about that, Mr. Minority Leader. The gentleman now occupying the well has never asked anybody to take this out. He is for it, he has been for it always and he is now for it, and I do not want any insinuation made that I am not for the proposal in this bill. There has not been any agreement to take this out.

Mr. MARTIN. Well, is that not a fact?

Mr. POAGE. No; it is not a fact. Anybody who insinuates that this present speaker has ever favored taking this out makes a misstatement.

Mr. MARTIN. I am not making any insinuation about the present speaker, but I say this gentleman is doing it because those of you on the other side who wanted a sugar bill asked him to do it.

Mr. POAGE. No. I was present when the gentleman from Utah sat in the committee and voted to report this bill out with this provision in it. No; he is not offering this amendment because somebody on the other side asked him to offer it. He offered it in committee and it was voted down, as the chairman said, by a close vote. He then voted for the bill with the amendment in it.

Mr. MARTIN. What was the conversation up in the Rules Committee?

Mr. POAGE. I was not present in the Rules Committee. I do not know a thing in the world about any conversation in the Rules Committee. If the gentleman knows something about a conversation in the Rules Committee, let him get time and tell the House about it. If the gentleman wants to tell this House something, let him get time and tell this House what he understands about it. I was not present at any Rules Committee meeting. I was not a party to any agreement. I am for 90 percent for any crop that is willing to submit to the necessary controls.

The CHAIRMAN. All time on the preferential motion has expired. The question is on the motion offered by the gentleman from Ohio [Mr. Hays].

The motion was rejected.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on

the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Messrs. HAYS of Ohio, MATTHEWS, and JENNINGS objected.

Mr. COOLEY. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. McCARTHY].

(Mr. McCARTHY asked and was given permission to revise and extend his remarks.)

Mr. McCARTHY. Mr. Chairman, it is impossible to make in 1 minute an adequate statement on this bill. I was a member of this committee when we extended the Sugar Act in 1951. I supported the extension. I have examined the report on this bill, and I find it to be completely inadequate. I hope to support the bill on final passage. The House should be permitted to hear the case against certain provisions of this bill and amendments should be offered with some order. The chairman of the committee argues that we should accept this bill on faith as there is not sufficient time for explanation. We have a right to have an explanation of the bill. Since this is obviously not going to be granted I will support a motion to recommit. The present act does not expire until December 1956. We can act early next year.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent that the time allotted me be yielded to the gentleman from Minnesota [Mr. McCARTHY].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from North Carolina.

Mr. COOLEY. I only point out to the House that the Committee on Rules gave us 1 hour. I had 30 minutes, and I explained that it was impossible within 30 minutes for me to explain this bill and that the membership, of necessity, would have to take it on faith.

Mr. McCARTHY. And I am arguing that they should not take it on faith.

Mr. COOLEY. Did the gentleman come before this committee that he used to serve on and that he has such a high regard for and express his views on this legislation?

Mr. McCARTHY. I hoped to read the hearings to see what was going on.

Mr. COOLEY. We had 1,300 pages of hearings, and the gentleman's name does not appear in the record.

Mr. McCARTHY. I could scarcely get a chance to ask a question when I was a member of the committee. I scarcely expected better treatment as an outsider.

Mr. MORANO. Mr. Chairman, if the gentleman will yield, is it not true that there were no hearings so that you could read them?

Mr. McCARTHY. That is correct.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. KING].

Mr. KING of Pennsylvania. Mr. Chairman, if the Dixon amendment is not accepted, we are here involved not only in a fight over the sugar bill, but a fight over the extension of the price-support program to include another crop, and give the Government authority to pile up surplus sugar in storage.

Before proceeding further I would like to ask the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], whether he accepts the Dixon amendment.

Mr. COOLEY. Do I accept it?

Mr. KING of Pennsylvania. Does the gentleman accept it, yes or no?

Mr. COOLEY. No.

Mr. KING of Pennsylvania. We proceed then with the assumption that when you vote for this bill you are voting for an extension of the price-support program to include a commodity not previously included and that the Government is going to start piling up sugar in storage and adding to that \$1 million-a-day rental that we are paying. The sugar program in itself is a finely managed program for the sugar interests.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I take this time to clear up two or three points. First as to what was said in the Committee on Rules. I am prompted to take the floor at this time because of the question propounded by the gentleman from Massachusetts [Mr. MARTIN] to the gentleman from Texas [Mr. POAGE]. I stated frankly to the Committee on Rules that the vote in the committee was 15 to 15 on this proposition, that I had no authority whatever from the committee to accept the amendment which would be offered by the gentleman from Utah, [Mr. DIXON]. I told the Committee on Rules that I understood the amendment would be introduced and would be voted upon in the House. The gentleman from Colorado [Mr. HILL], thereupon said, "Mr. Chairmen and members of the committee, I am quite certain that we will take this provision out on the floor of the House."

I am not now in a position to speak for the committee. I still say that I believe that the provision now in the bill is good. But if Dr. Dixon does not want it and others do not want it, that is up to the House to decide. But I am not in a position to accept it.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I am happy to join our chairman concerning what went on in the Committee on Rules. I would like to say this concerning this argument about 90 percent of parity, that has been injected into the discussion on the floor today, that that has nothing to do with it except for that little bit of overproduction that we would get above the line; because the gentle-

man from North Carolina [Mr. COOLEY] in the preparation of this amendment said that all the sugar that was grown under the provisions of this section, whatever the number is, would not be considered anyway.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, we shall be called upon soon to vote on the Dixon amendment, and I intend to vote for that amendment because I believe it will help us get this sugar legislation that is desperately needed by our sugar growers. I think it is fair and reasonable legislation.

I want to say a word in appreciation of the magnificent efforts of our distinguished colleague, the gentleman from Texas [Mr. POAGE] and the fight that he has made over the years for the great farm programs of this country and for our country. I want him to know that I have not retreated at all from my convictions concerning 90-percent price support on basic crops, but frankly, I feel that we ought to support the Dixon amendment in order to get this legislation passed, and I shall so support it.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, I merely wish to say that at the proper time I am going to offer a motion to recommit.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I regret the fact that this 90-percent fight has occurred on this bill. Everybody has had to compromise on this legislation. This is not the bill any of us really wanted. Those of us who represent the areas in distress feel that it is not quite adequate. Nevertheless, it represents a tremendous amount of work on the part of the committee.

The sugar producers have never had a 90-percent-of-parity concept in this legislation since its very beginning. It might be a very good thing to have, but I doubt that we can settle the matter at this time.

Further, this legislation over a period of years has been bipartisan in nature. It has been passed by Republican-controlled Congresses and Democratic-controlled Congresses. I hope we can continue the legislation on a bipartisan basis, because it affects so many States in the Union.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Louisiana. I know we are all interested in working effectively to accomplish our work and adjourn. It is unfortunate that this controversy on which we have already spent so much time in this session should be injected into this bill. To bring up irrelevant side issues causes us to appear to take positions that I know we would not take in more considered moments. I know the gentle-

man from Texas would never be serious in complaining about our small sugar beet farmers getting 93.5 percent of parity after the statements listening to the conflicting opinions that I have heard from him on the floor of the House. We certainly get confused when we try to apply the same reasoning to totally incompatible problems. I think it is obvious on the surface, that the situation pertaining to the principal basic commodities and the situation that pertains to sugar in the United States are not comparable for the simple reason that in the case of most of the basics, we have a surplus raised in the United States over what is consumed in the United States; whereas in the case of sugar, we are dealing with a commodity where our domestic production is approximately one-half of our consumption. I voted in favor of flexible price supports. Before doing so, I tried to give honest consideration to the other proposals. My vote was based on what I believe to be in the best interest of the American farmer and the American economy in general. I am confident that others, who voted otherwise, to a large measure, voted because of similar convictions. I certainly respect the opinions of those who disagree with me, and only time will tell which of us is correct. Certainly this committee should and will consider this legislation on its merits, and on the basis of what is best for the American farmer, the American economy and the American public without permitting the legislation to be prejudiced by side issues.

Let me state that my constituents and myself are extremely interested in a selfish way in the basic crop which is of greatest concern. Of course, I refer to wheat. Reference has been made to the livingroom approach in connection with the restrictions on imports by quotas. If the approach with regard to sugar is a livingroom, then certainly our policy as to wheat, in which my constituents are also directly interested, and most of the other basic commodities, is that of a closed-door policy. With certain limited exceptions, we permit no importations, and this is as it should be, for we are raising presently in the United States more of these commodities than we can consume.

Considerable comment has been made about the awful subsidy attached to this program. This, in my humble opinion, is not a subsidy in the sense that the word is commonly used in America today, but is a production payment made to the American producer in lieu of tariff. I think all of us must agree that the American producer cannot pay high wages or other high costs of production, nor can we in America continue to advance our standard of living, and still compete with foreign producers, whether we produce sugar, automobiles, bicycles, textiles, cotton, wool, livestock, toys, oil, coal, or almost any other commodity that you can think of. The Sugar Act took us from the high tariffs to the quota procedure, with payments to growers, primarily to benefit Cuba. The whole sugar problem is a tariff problem, and not a price-support problem. Just as a further

example, some members of this committee and myself have common interest in the livestock industry. We take great pride that our livestock producers have refused to seek price supports. On the other hand, if we were to suddenly throw open the Mexican border and drop all barriers to importation of Argentine beef, it would be but a short time before domestic industry was completely demoralized. I can continue to draw similar parallels with other commodities. The facts showed that the sugar program has not operated to the detriment of the consumer, but rather to his benefit.

In connection with the problem as to basic commodities, may I also point out that this revision of the Sugar Act will help to solve some of the problems pertaining to acreage cuts on the basic commodities. I know of instances in my own State where the reason that some of our veterans, who have been on projects for long enough to have acquired a sugar history since World War II, but have not, is caused mainly because they could grow certain basic commodities, at a guaranteed price, with less investment and less work. By permitting them to grow sugar beets now, we will ease the pain as far as the acreage restrictions are concerned on wheat; not only on them, but on other wheatgrowers in other districts.

It has been inferred that we cannot ease off on acreage controls every time we feel a pinch, or we will have a chaotic farm program. This might be true generally, but we certainly can increase the acreage allotments on sugar when we have a crop which we do not domestically produce in surplus, and when we can do so without taking it away from anyone else, as I will subsequently point out. I should also like to mention that during my short service in Congress, I have had occasion to vote for acreage increases for the small tobacco producer, rice producer, cotton farmer, and, I believe, peanut farmer, even though these are crops in which there is a domestic surplus. Certainly it is not fair to infer that there is no compassion in our souls for others while we ask special privileges, when all we are asking is for a share in the growth of America for our sugar producer and are willing to give and pay higher domestic prices in order to maintain our American standard of living, and so forth, with regard to the entire domestic consumption of other commodities.

I was somewhat amazed by the sweeping statements made before the House Agriculture Committee by representatives of some domestic industries, who apparently felt that they were best serving their own interests by suggesting that everything should be given to the foreign interests. In connection with this, I should like to compliment and thank the representatives of foreign interests other than Cuba for the very fair and fine statements which they made. I certainly hope that they shall be given favorable consideration for a greater share in the foreign quota. As concerns domestic interests, who made statements to the opposite effect, I would again like

to point out that they cannot, over the long haul, compete with lower labor and other production costs in foreign countries any better than can the American sugar producers. Within the last few days, I have received a letter from one of my constituents wanting to know why he could not buy truck tractors from Canada without paying a 10 percent duty. I could very well use a new car. I might very well be driving an Italian Fiat, or a German Volkswagen, or a British Austin, if we were to remove the 10 percent duty. I am not suggesting that this be done, because I believe in preserving the American standard of living and protecting the American worker and businessman, but I might suggest that the same consideration be given our sugar farmers, laborers, and businessmen. I have some figures available, if anyone is interested, on what the small population in Wyoming alone buys in some of these commodities. Certainly if our economy is strong, the ability of the domestic market to purchase must be preserved. It is rather interesting to note that one of the companies whose representative appeared before this committee minimizing the importance of the domestic producer only very recently contacted me in an entirely different vein. The State which I represent was thinking of going into a machine accounting system. The local representative of this company approached me with the request that I speak to the governor about giving his company an opportunity to be considered. At that time, I was led to believe that this was a very important piece of business to the company generally. May I remind this company that a good portion of the taxes that must be raised to pay for these machines, when and if they are bought, must come from Wyoming sugar beet producers and others directly and indirectly connected with the industry.

Mr. Chairman, I urge that we defeat the preferential motion. I urge that we pass the Dixon amendment. The debate that has already become repetitious as to high rigid, or flexible price supports for basic commodities which has nothing to do with this bill. This is not a question of price supports paid from the Treasury for crops produced in this country in excess of the total needs of the country. This is a tariff problem. The payment made is a production payment in lieu of tariff under a system established for the benefit of the foreign producer. Not so long ago I received a wire from my Farm Bureau organization for which I have the highest regard suggesting that I should oppose guaranteeing 50 percent of the shipping to American ships. I notified that I could not do that because of the principles in which I believe. I believe that we must preserve the American standard of living, whether it be for our sailors, who must support their families here in America, or it be for our sugar-beet farmers and those who labor in our sugar industry. I suggest to you that the identical principle involved in the shipping amendment is involved in this

bill. As I recall, the vote in favor of protecting American shipping was almost unanimous. I suggest to you that this bill should receive the same treatment after adoption of the Dixon amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

(By unanimous consent, Mr. JENNINGS and Mr. JONES of Missouri yielded the time allotted them to Mr. POAGE.)

Mr. POAGE. Mr. Chairman, I am sorry some of our Members seem to be so disturbed and so afraid of what may happen to them. I am not afraid of the threats that have been made here about killing the sugar bill. I do not think many Members would kill the sugar bill, least of all the very people who are making the threats about killing it. They have no intention of killing the sugar bill, yet they tell us that because this sugar bill has the 90-percent-of-parity provision in it, that that endangers the passage of the bill and we ought to run and hide somewhere because perchance they will kill the bill if we do not take out the 90-percent-of-parity provision. If they are really afraid that the bill is going to be defeated why did they not accept it as reported by the committee? I submit these people who claim to be so deeply concerned are the ones who were willing to jeopardize the bill with an amendment.

Let us see what this 90-percent-of-parity does. It is put in the bill simply because many of us thought that we ought to give to sugar as fair treatment as we give to any other commodity. We do not want to discriminate against sugar. We hate to see discrimination in favor of sugar. We think it ought to be treated as fairly as cotton, peanuts, wheat, or tobacco. Ninety percent, yes, that is a fair basis. We ask it for our commodities. We offer it to others.

This 90-percent-of-parity provision does a whole lot more than simply establish the principle. Some people seem to think it simply establishes the principle, but that is far from all it does. We are taking care of the State of Florida with this 90 percent provision. We are taking care of the State of Louisiana. Those States have now a surplus of sugar. The Representatives from Florida stood on this floor and told you that. They cannot sell. It is grown on allotted acres. You pass this bill without this 90-percent provision and you still are going to have a surplus and your farmers are not going to be able to dispose of their sugar this coming year.

You pass this legislation with this provision in it and every pound of sugar you grow on allotted acres by your farmers will get 90 percent of parity, not only this year but in the future. Turn to California. You have at least one mill shut down in California right this moment because they cannot sell their supply of sugar. Pass this bill with the 90-percent provision in it and every bit of that sugar will be taken up and the farmers of California will be able to get contracts and sell their sugar this coming year and in future years.

It is simple enough. Do you want a bill that is going to take care of all the

farmers of America? There is not one sugar farmer in my district and not one of them in my State. But, I do want to be fair with them. If you want to run out on your own farmers, that is your privilege. Remember, they are your farmers and not mine. But I would suggest that if they were my farmers, I would be trying to see that they get the kind of coverage that the cotton farmer gets. I would be trying to see that they get the same fair treatment that the tobacco farmers get. I would be trying to see that they had an opportunity to dispose of their surplus sugar, and this bill, as it is now written, gives them that. This bill as it stands offers that protection. If this amendment is carried there will be no sale for their surplus sugar.

(By unanimous consent, at the request of Mr. DAWSON of Utah, the time allotted to him was granted to Mr. DIXON.)

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. DIXON].

Mr. DIXON. The gentleman from Texas argued this 90-percent idea on the basis of analogy. This form of argument is only fair where the situations are similar but where they are entirely different, it is the weakest form of argument. Sugar is nothing like wheat, cotton, and rice. Wheat, cotton, and rice are produced in surplus. We produce more than we can consume. Sugar, on the other hand, is not produced in surplus. We must buy and import 3,800,000 tons each year or 47 percent of what we consume. Our domestic producers need an additional quota of 100,000 to 188,000 tons. Instead of placing this under loan, having it pass into Government hands at great cost and having it depress our market, as section 20 would have us do, all we need to do is to import that much less sugar from foreign countries and our troubles are over.

Now, Mr. Chairman, leaders of both the beet and cane producers just testified that section 20 is not necessary and that they have no objection to taking it out. Even our esteemed Chairman of the Committee on Agriculture testified to the same effect. Why then should we not support my amendment and delete section 20?

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I would like to ask the gentleman from Utah [Mr. Dixon] four questions which he can answer by saying yes or no.

First. Is wool an important commodity in Utah?

The answer is "Yes"—I will answer for the gentleman from Utah.

Second. Sugar is an important commodity in Utah. Since you do not seem to want to answer the question, I will answer that that is true.

Third. Wool is supported by 105 percent of parity. Sugar by 93 percent of parity.

Now I come to the \$64 question: Has the Secretary of Agriculture from Utah ever said anything about cutting them below 90 percent of parity?

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. HARRISON].

Mr. HARRISON of Nebraska. Mr. Chairman, I want to support this legislation since the amendments have been offered, and evidently will be passed. I want to make it as simple as I can. It seems to me we have been talking about a complicated situation. We are talking about 135,000 tons of sugar each year, and that is the increased consumption in this country created by the increase in population. At the present time, Cuba is getting that increased consumption in this particular bill. Now we are going to take it away from Cuba. I think if we wanted to be fair we would give it to our domestic producers. The reason the bill is before us at the present time is because our domestic producers are in trouble. Since we are trying to take care of them, I do not think we have gone near far enough to take care of our domestic producers. I was in Washington last winter. They have 1,200,000 acres of land coming into production out there and they want to raise some sugar beets. I say that we should go further in taking care of our domestic producers.

The CHAIRMAN. The gentleman from Florida [Mr. CRAMER] is recognized.

Mr. CRAMER. Mr. Chairman, I have received many letters in the last few weeks from many areas in the State of Florida. There has been considerable concern shown over the surplus cane-sugar condition that exists in my State, in which I am very much interested.

I am pleased that on page 7 of the report that the matter of surplus has been at least partially worked out and that it has been agreed that 100,000 tons will be purchased this year by the Government through ICA to help alleviate that situation.

I want to compliment the committee on the manner in which it has attempted to work out and compromise this problem.

The CHAIRMAN. The gentleman from California [Mr. JOHNSON] is recognized.

(Mr. JOHNSON of California asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of California. Mr. Chairman, I have been familiar with this program for 13 years, and the program itself has been in effect for 21 years. The proof of the pudding is that it has stabilized the price of sugar.

I may be pardoned, I hope, by telling you my own experience with the cost of sugar. I was married in 1920. My wife and I started housekeeping in May 1920. My bride was shocked when she went to the grocery store to buy some sugar and to be confronted with the statement of the clerk that the cost was 32 cents a pound. I merely mention this personal experience because it illustrates what could happen to sugar when the price is not controlled.

In 1934 the first sugar act was passed. Since that time the price has not varied very much. For the past 10 years it has varied from 8 to 10 cents a pound. Every home will be benefited by this legislation.

In my district are now two sugar refineries. In the district I first represented—Third of California—I had four sugar refineries. The sugar made in

those refineries was beet sugar. The sugar industry in my district is a large industry. I am proud of the beet growers and those who operate the refineries and have supported their program during my entire service in Congress, and expect to continue to do so as long as I am a Member of Congress.

This bill is a most constructive bill, and I have no doubt that it will pass.

The CHAIRMAN. The gentleman from Kansas [Mr. HOPE] is recognized.

Mr. HOPE. Mr. Chairman, this is a program which has been in effect for 21 years. I do not think we have had any farm program that has been as successful as the sugar program. It has operated under a price formula which was entirely different from the 90-percent support provision which relates to the basic commodities.

To adopt the 90-percent amendment would not have any effect that I can see upon this legislation because we still leave in the bill section 201, which is the pricing formula of this legislation. It would be just as necessary and just as cumbersome I think to leave this 90-percent formula in the bill as it would be to put a fifth wheel on an automobile; it is not needed; there is no justification for it, and I think we ought to vote it down.

The CHAIRMAN. The gentleman from California [Mr. HAGEN] is recognized.

(Mr. HAGEN asked and was given permission to revise and extend his remarks.)

Mr. HAGEN. Mr. Chairman, I wish to commend the gentleman from North Carolina [Mr. COOLEY], and the gentleman from Texas [Mr. POAGE], who in my opinion are two of the most outstanding members of this body.

I want to say first that the concept of 90 percent of parity is embedded in the whole structure of the supporting laws, and very little expert testimony was taken on this concept of 90 percent of parity applied to sugar. It was very hastily considered and, in my opinion, for that reason the Dixon amendment should be adopted.

Furthermore I want to say the basic impact of this bill is the question which you have of subsidized sugar. Are you going to permit the nonproducer to secure a larger share of the subsidy, or are you going to let that subsidy go increasingly abroad? That is the basic question in this bill. Certainly we are all agreed that our United States producers are entitled to a fair share of that subsidy.

The CHAIRMAN. The time of the gentleman from California has expired, all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Utah [Mr. DIXON], to the committee amendment.

The question was taken; and on a division (demanded by Mr. MORANO) there were—ayes 123, noes 37.

So the amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SIKES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, pursuant to House Resolution 328, he reported this bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. POAGE. Mr. Speaker, I ask for a separate vote on the Dixon amendment.

The SPEAKER. Does the gentleman want a division?

Mr. MARTIN. I suggest to the Chair that we have gone beyond the point where he may ask for a separate vote.

The SPEAKER. Well, the Chair will be liberal with Members. Does the gentleman ask for a division?

Mr. POAGE. Mr. Speaker, I ask for a separate vote on the Dixon amendment.

The SPEAKER. That is exactly what the Chair put.

Mr. POAGE. There were three amendments adopted.

Mr. COOLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOLEY. Mr. Speaker, was not the Dixon amendment, and the other amendments, amendments to the committee amendment? In that situation can we have a separate vote on either one of the amendments without having a vote on the committee amendment?

The SPEAKER. Under the rule anyone may demand a separate vote on the whole amendment or on an amendment to the committee amendment.

Mr. MARTIN. Mr. Speaker, I do not like to differ with the Speaker, but the gentleman from North Carolina, in my opinion, is correct in the statement that the amendment of the gentleman from Utah is an amendment to the committee amendment, and, therefore, all we have before us is the committee amendment, as amended.

The SPEAKER. The Chair would like to read part of the rule to the gentleman. It states:

The Committee shall rise and report the bill back to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute.

The amendment of the gentleman from Utah is an amendment adopted in the Committee of the Whole to the committee substitute.

Mr. MARTIN. Mr. Speaker, that amendment disappeared when we adopted the committee amendment.

The SPEAKER. Well, that is what the special rule provides.

Mr. MARTIN. The special rules are getting awfully tough around here.

The SPEAKER. They are not any tougher than the job of the present occupant of the Chair.

The question is on the so-called Dixon amendment, which the Clerk will report. The Clerk read as follows:

Amendment offered by Mr. DIXON of Utah to the committee amendment: On page 22, line 20, strike out all of section 20 of the bill and renumber the succeeding sections.

The SPEAKER. The question is on the amendment.

Mr. POAGE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The amendment was agreed to.

The SPEAKER. The question is on the committee substitute as amended.

The committee substitute, as amended, was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. SIMPSON of Illinois. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SIMPSON of Illinois. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SIMPSON of Illinois moves that the bill, H. R. 7030, be recommitted to the Committee on Agriculture.

The SPEAKER. The question is on the motion to recommit.

Mr. MORANO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. MORANO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. JONES of Missouri) there were—ayes 194, nays 44.

So the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

JANE EDITH THOMAS

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7588) for the relief of Jane Edith Thomas.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Jane Edith Thomas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That section 301 (a) (7) of the Immigration and Nationality Act, commonly referred to as the McCarran-Walter Act, shall be held and considered to be applicable to Jane Edith Thomas, the daughter of Leslie F. Thomas, a United States citizen."

(Mr. SCHENCK asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SCHENCK. Mr. Speaker, a week ago last Thursday, on July 21, the Dayton Daily News, of Dayton, Ohio, brought a matter to my attention that has since received almost nationwide publicity through the wire services, newspapers, radio stations, and television stations. This has happened because of the natural interest and concern by people everywhere in matters which affect small children, and also because of the circumstances surrounding this situation. As a result, I have received many letters, telegrams, and personal messages urging me to take every necessary corrective and proper step to resolve this problem.

Here, Mr. Speaker, is a résumé of what has happened to cause such warm-hearted concern.

Leslie Francis Thomas was born in Russell, Ky., in 1931. He became a soldier and was sent overseas. In 1950, while stationed in the then free city of Trieste, he married an Italian girl. A year later, their daughter, Janie, was born in a United States Army hospital in Trieste. Mr. and Mrs. Thomas were told that their daughter would be an American citizen because her father had been born and raised in the United States and also because his daughter was born in a United States Army hospital over which the flag of United States was flown. This, it seems, was further confirmed because when Thomas was returned to the United States, in March 1952, he brought his wife and daughter, Janie, carrying an American passport issued by the American consul in Venice, Italy.

Mr. Thomas was mustered out, but reenlisted and was assigned to Fort Dix, N. J. In June 1952 he received a letter from the United States consul in Venice which stated in part:

At the time of the birth of Jane Edith Thomas, you had not resided in the United States for a period sufficient to bring your case under the provisions of section 201 (G) of the Nationality Act of 1940.

The letter went on to say that "the already issued passport is disapproved" and explained that:

Section 201 (G) provides that children born overseas to an American citizen and a foreign national are automatically United States citizens if the American parent has had 10 years of residence in the United States, at least 5 of which were after attaining the age of 16 years.

Private Thomas had not lived in the United States 5 years after becoming 16

years of age because he was just 20 years old when Janie was born.

All of this didn't make sense to Private Thomas and he ignored the letter. After all, he was a bona fide American citizen, he had served in the United States Army and he had reenlisted all because of his devotion to his country. He just could not make himself believe that a responsible official of our Government would raise such a technical point against the citizenship of his daughter and against the properness of her remaining in the United States. He thought American Immigration and State Department officials had more important duties and that they would not become overly concerned about his baby daughter. But he did not reckon with the great lengths to which some will go to observe every little technicality.

Private Thomas was sent overseas again in September 1952—this time to Germany. His wife and baby daughter, Janie, went to New York to live with relatives to await his return from overseas duty. Thirteen months later his wife sent him the frantic word:

Janie had been served with a warrant for arrest as an alien and ordered to appear at a deportation hearing on November 5, 1955, at Ellis Island.

At the hearing their little two-year-old daughter was charged with illegal entry and was paroled to her mother who became a naturalized citizen soon thereafter. The friendly American Red Cross had assisted Mrs. Thomas by securing the assignment of an attorney to help her in this very trying time.

The entire matter was then held in abeyance until Private Thomas returned to the United States in June 1954. After his discharge from the Army, he and his family moved to Dayton, Ohio, which is located in the Third Congressional District of Ohio. Mr. Thomas was told that he could take Janie to Canada and could bring her back on an "immigrant visa" and, of course, he has had to make monthly parole reports on Janie. He was also advised that he had until September 30, 1955, to complete arrangements to have Janie readmitted to the United States on an immigrant visa. Naturally, Mr. Thomas resented all this deeply because he felt all this reflected upon his baby daughter, Janie, and Mrs. Thomas, a recently naturalized citizen of her chosen country, and could not understand how the laws of our Nation would make such a seemingly unnecessary demand upon them.

When I learned this story, Mr. Speaker, I was deeply concerned and determined to do all I could properly do to assist this little girl and her family in this problem.

I found the Immigration and State Department officials both friendly and cooperative. They were willing to do anything they properly could within the scope of their authority to assist the Thomas family. They suggested that arrangements could be completed in advance with the friendly cooperation of Canadian officials so that Janie could be taken into Canada and immediately admitted back into the United States on an "immigrant visa." This, it was

stated, however, still left the citizenship of Janie undertermined until she completed the necessary arrangements to become a citizen of the United States.

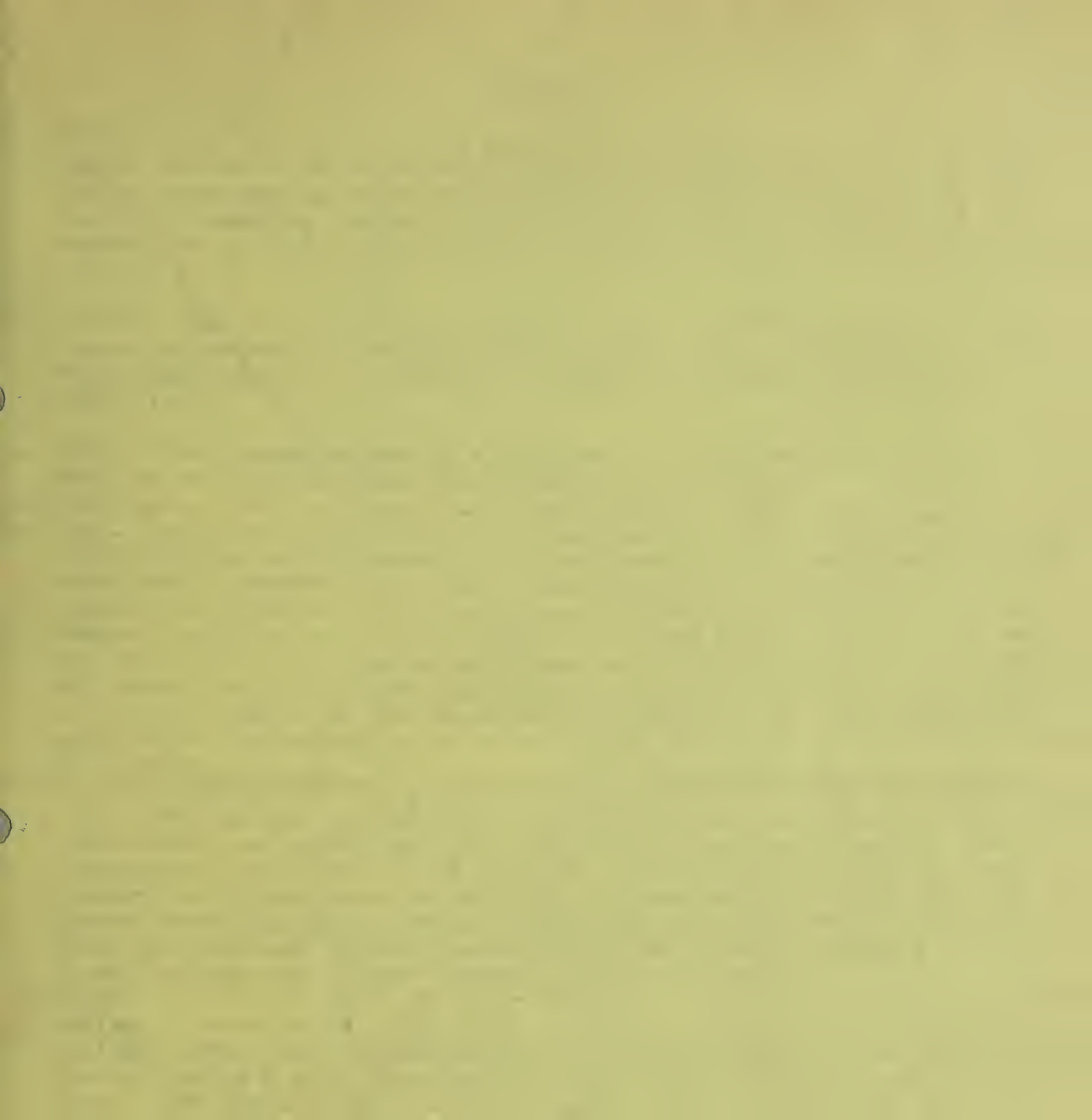
Mr. Thomas, however, had several objections to that procedure. He felt that it was entirely unnecessary and he still had faith and confidence in his native United States that some other and better way would be found. He also, as an industrial worker, felt, Mr. Speaker, that he could not afford to lose the time from his work or spend the money necessary for the trip especially in view of his anticipated expenses in connection with the expected arrival of another child.

Upon studying the matter with earnest care, Mr. Speaker, and talking it over fully with my good friend and colleague, the distinguished gentleman from Pennsylvania, Congressman FRANCIS WALTER, I found there is another and proper way.

I need not remind the Members of Congress, Mr. Speaker, that our colleague, Congressman WALTER, is well recognized among us as the outstanding authority and expert on all matters of immigration and that as chairman of the Subcommittee on Immigration of the House Committee on the Judiciary, he is always ready and willing to be of every proper assistance. Neither do I need to remind our colleagues, Mr. Speaker, that Congressman WALTER takes a warm-hearted interest in the problems of his colleagues and is always very helpful.

As the result of our discussion, Mr. Speaker, I introduced H. R. 7588, a bill for the relief of Jane Edith Thomas, on Monday, July 25, 1955. Because of his deep interest and desire to be helpful, Mr. Speaker, Congressman WALTER obtained the approval of not only his subcommittee but also the approval of the full Committee on the Judiciary, after the bill was properly amended on Thursday, July 28. Then through the helpful consideration of my good friend, the majority leader, Congressman JOHN McCORMACK, and with your gracious permission, Mr. Speaker, H. R. 7588 appears today on the final Private Calendar of this session of the House. It is my sincere hope, Mr. Speaker, that this legislation to assist Janie Thomas will be unanimously approved at this time so that it can be presented to the Senate immediately in the sincere hope that it will also be approved in that body without delay. This will make a veteran of our United States Army, Leslie Thomas, his wife, their daughter, their Congressman, and many interested people throughout the Nation happy and convinced all over again that these United States is the greatest Nation in the world and that it does have a heart that is warm toward the needs of its people. It will renew the faith of people, if that is at all necessary, because it will show to the world that even in the rush of the final hours of a session of Congress, we can and will take the time to be of human service.

I cannot close these comments, Mr. Speaker, without pointing out to my colleagues here and the Nation as a whole, that this trying situation came about as the result of a provision in the Nationality Act of 1940. It was my



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SENATE

17. **FORESTS.** Sen. Goldwater spoke in support of S. 55, to authorize the USDA to acquire certain forest lands from the Aztec Land & Cattle Co. He suggested that certain lobbying activities of the National Lumber Manufacturers Association were preventing favorable action on the bill by the House, and inserted several letters from interested parties supporting that contention (pp. 10844-6).
18. **RESEARCH.** Sen. Smith, W. J., inserted a newspaper article by Dr. A. T. Waterman commenting favorably on efforts by the Government and private industry to expand the educational facilities for students interested in science (pp. 10847-8).
19. **BUDGET.** Sen. Goldwater inserted a table detailing the budget surpluses and deficits of Congresses from 1946 to 1955 (pp. 10849-51).
20. **SUGAR.** Sen. Fulbright objected to consideration of H. R. 7030, the sugar bill, upon its second reading because it was believed that the importance of the bill would seem to warrant greater consideration than the closing hours of the session would permit. Sen. Thye rejoined that the legislation was needed for emergency matters (pp. 10851-2, 10877). Sen. Long served notice that he would ask for a suspension of the rules in the consideration of H. R. 7030, without reference of the bill to the Senate Finance Committee; and Sen. Douglas questioned the propriety of that procedure (pp. 10920-1). Sen. Long submitted an amendment to be proposed by him to H. R. 7030, and it was ordered to be printed (p. 10948).

The Finance Committee ordered favorably reported S. 1635, to amend and

 1. extend the Sugar Act of 1948, after striking all after the enacting clause and substituting the language of H. R. 7030, with the following changes: "The formula for future growth to be 55 percent for domestic and 45 percent for foreign; the foreign quota to be divided on basis of 60 percent to Cuba and 40 percent to be divided among full-duty countries proportionately on basis of their sales of sugar in U. S. market during last 4 years; benchmark to be 8,300,000 tons; and a 6-year extension in lieu of 4 years."
21. **HOUSING.** Received and agreed to the conference report on S. 2126, the housing bill (pp. 10906-11). The conferees agreed to continuation of the present farm-housing program through the fiscal year 1956, with \$112 million available for direct loans, to prevent defaults in payments on loans for potentially adequate farms and for the improvement and repair of farms.
22. **FORESTRY CONSERVATION.** Sen. Clements inserted the remarks of Sens. George and Magnuson on the practices of conservation by private industry, the U. S. Forest Service, and State agencies. Sen. Magnuson commended the activities of the Rayonier Corporation in the field of conservation and suggested that conservation should be construed to mean adequate and planned utilization of forests and forest products (pp. 10929-31).
23. **ECONOMIC DEVELOPMENT.** Sen. Watkins inserted two articles prepared by himself citing the achievements of the U. S. economy in the second quarter of 1955 (pp. 10938-41).
24. **EXTENSION WORK.** Concurred in the House amendment to S. 2098, to authorize special appropriations for extension work among low-income farmers (pp. 10883-4). This bill will now be sent to the President.

25. EXPERIMENT STATIONS. Concurred in House amendments to S. 1759, to consolidate authorization legislation regarding aid to State agricultural experiment stations (p. 10884). This bill will now be sent to the President.
26. MARKETING. Concurred in House amendments to S. 1757, to amend the Agricultural Marketing Act of 1946 so as to remove any question which may have resulted from a change in appropriation language as to the applicability of penalties for forgery of inspection certificates covering agricultural commodities, and to expand and tighten provisions for such penalties (p. 10884). This bill will now be sent to the President.
27. FARM LOANS. Concurred in House amendments to S. 1621, to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed under or subject to the Wheeler-Case Act of 1939 (p. 10882). This bill will now be sent to the President.
28. PERSONNEL. Received and agreed to the conference report on S. 1041, to provide for the inclusion in the computation of accredited service of certain periods of service rendered States (p. 10913). House and Senate conferees had been appointed earlier in the day (pp. 10877, 11005). The conferees agreed to the House amendments to the bill.
- Concurred in House amendments to S. 1849, to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment (pp. 10882-3). This bill will now be sent to the President.
- Concurred in House amendments to S. 1792, to amend the Federal Employees Group Life Insurance Act of 1954 so as to authorize the assumption of the insurance obligations of any nonprofit association of Federal employees (p. 10882). This bill will now be sent to the President.
- Passed with amendment H. R. 7618, to increase the annuity benefits of retired Federal employees by 12% on the first \$1,500 and 8% thereafter up to \$4,000, with a gradual reduction in the increases until they end on Dec. 31, 1957 (pp. 10853, 10902, 10912, 10924-6).
- Agreed to the conference report on H. R. 4048, making recommendations to the States for legislation to permit and assist Federal personnel to vote (pp. 10899, 10901-5).

S. 2628, the executive pay bill, provides as follows as reported by the committee:

Provides specific salaries for various officials, including: Secretary of Agriculture, Director of Office of Defense Mobilization, and Director of the Budget, \$25,000; 2 Administrative Assistants to the President, and Comptroller General, \$22,500; Administrator of Veterans' Affairs, \$22,000; 3 Administrative Assistants to the President, Under Secretary of Agriculture, Administrator of General Services, Director of International Cooperation Administration, Administrator of Federal Civil Defense Administration, and Governor of FCA, \$21,000; Assistant Comptroller General, Deputy Director of Budget Bureau, Chairman of Civil Service Commission, and members of Council of Economic Advisers, \$20,500; 7 Administrative Assistants and staff assistants to the President, 3 Assistant Secretaries of Agriculture, Fiscal Assistant Secretary of the Treasury, members (other than chairman) of Civil Service Commission, Deputy Administrator of General Services, Archivist, Administrator of Production and Marketing Administration, Administrator of REA, Public Printer, Librarian of Congress, each Assistant Director of Budget Bureau (2), Director of National Science Foundation, and General Counsel (or other comparable officer) of a department when required to be appointed by the President, \$20,000; Commissioner of Federal Supply Service, Commissioner of Public Buildings Ser-

Surpluses and deficits by Congresses—Continued

Fiscal year	Republican		Democratic		Divided	
	Surpluses (31)	Deficits (17)	Surpluses (5)	Deficits (25)	Surpluses (17)	Deficits (5)
1947			\$753,787,660			
1948	\$8,419,408,844					
1949		\$1,811,440,048				
1950				\$3,122,102,357		
1951			3,509,782,624			
1952				4,016,640,378		
1953				9,449,213,457		
1954		3,116,966,256				
1955		14,191,571,951				
Total	17,841,500,255 12,560,898,075 5,280,602,180	12,560,898,075	4,478,001,688	273,724,762,589 4,478,001,688 269,246,760,901 4,409,249,687 -5,280,602,180 268,375,408,408	\$960,195,543	\$5,369,445,230 960,195,543 4,409,249,687

Preliminary

PROPOSED SUGAR LEGISLATION

Mr. FULBRIGHT. Mr. President, I understand that the House has passed H. R. 7030, proposing new legislation with respect to sugar. I merely wish to state that I shall object to the second reading of the bill today.

The PRESIDENT pro tempore. The Chair is informed that the bill has not yet been received by the Senate.

Mr. FULBRIGHT. I wish the RECORD to show that I shall object, and I wish to make it perfectly clear to the managers of the bill that I wish to be notified, if I happen to be in conference, before the bill is laid before the Senate. I want the RECORD and the managers to be on notice that I shall object and that I expect to be notified before the bill is laid down. It is H. R. 7030, the sugar bill.

Mr. THYE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. THYE. Does the Senator from Arkansas feel that no legislation should be enacted at this session of Congress relating to sugar acreage quotas for the future, and with respect to quotas for other sugar-producing countries?

Mr. FULBRIGHT. The present act does not lapse until December 1956. I object to bringing before the Senate a bill on the subject at the last minute. The sponsors of the proposed legislation have had 6 months to work out this matter. I object to the bill being taken up at the last minute, without any opportunity for debate.

I am informed that the bill would substantially change all quotas, and would increase the domestic quota. If action is taken on the bill, it will be done without adequate consideration. It was passed only Saturday by the House of Representatives. I do not believe it should be passed by the Senate under such circumstances. The sponsors of the bill have had all of this session to bring it up, if they had wished to do so. It should not be passed now without any discussion.

I shall object to the bill. I objected to the enactment of the present law. One reason for my objection is that it is quite unfair to the other agricultural commodities to pick out this one commodity and confer upon it's benefits

which certainly very seriously affect rice, for example. The proposal is to impose a special sales tax for the benefit of sugar alone, primarily for the benefit of the beet-sugar industry, because that is the industry which is uneconomic and needs support more than any other.

I believe the question ought to be considered in connection with the general agricultural program. Many commodities in this country need special protection. Any program for sugar should be a part of an overall agricultural program, not a special program.

I certainly cannot accept the principle that in order to help beet sugar we should sacrifice the ricegrowers, merely because the beet-sugar interests have more political influence. I am not ready to accept that principle. The proponents of the bill undoubtedly have the necessary votes with which to pass it. However, I intend to voice my opposition to any such principle. That is the main reason for my objection. Therefore I shall object to the consideration of the bill at this session.

The PRESIDENT pro tempore. The Chair will state that the Senate is still operating in the morning hour.

Mr. THYE. Mr. President, may I comment briefly?

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Minnesota may proceed.

Mr. THYE. I regret the Senator from Arkansas has taken the attitude he has taken. We had chaos in the sugar industry prior to the enactment of the Sugar Act. I believe the act is being administered well. It has maintained stability in the price not only for the consumer of sugar, but also for the producer of both cane and beet sugar in the United States.

Certainly it has stabilized the economy of Cuba, because Cuba's economy is primarily based on sugar production.

We should have legislated on the subject at this session so that the sugar producers, both cane and beet, would be able to plan their programs intelligently.

The Senator from Arkansas, who is from the South, knows that the planning of sugar production is not a matter of 2 or 3 months. It is a matter of more than a year. It takes more than

a calendar year to plan intelligently the raising of beet and cane sugar.

I believe we would be derelict in our duties as Members of either the House or the Senate if we failed to enact legislation on cane and beet sugar production in this country, as well as with respect to the amount of sugar which may be imported from other countries. For that reason I regret that the Senator will oppose such legislation. We have studied the subject. We have given much thought to it. I am one who feels that we should have clarified the question for the growers by stating what percentage of the sugar consumed in the United States should come from our own domestic production.

Mr. FULBRIGHT. The Senator knows that our market for rice in Cuba has dwindled by nearly one-third in the last 5 years. The main reason is that the sugar quota is forcing Cuba to start its own uneconomic rice production in order to compensate for the loss of exchange.

I think it is an indefensible imposition upon the rice industry to lower the quotas from Cuba in order to help some domestic beet growers. I do not know how, on any principle, the Senator from Minnesota can justify any such imposition.

Mr. THYE. Mr. President, I would say to the distinguished Senator that Cuba's quota has not been lowered during the period of the existence of the present Sugar Act. Cuba has had a sugar quota over the years. She is today asking that she may increase the quota to the United States. Of course, the population of the United States has grown and the per capital consumption of sugar has grown. Therefore, the United States is entitled to an increased amount of the sugar which is annually consumed.

We have a substantial sugar beet acreage in Minnesota, and all the reclamation areas of the West are, of course, potentially sugar-beet producing areas. Certainly, we of the Northwest have a perfect right to think about our sugar-beet acreage just as the Senator from Arkansas has the right to think about the acreage of rice.

The PRESIDENT pro tempore. The Senate is operating under a limitation

of time during the morning hour. After morning business has been completed, there will be ample time for debate.

Mr. WATKINS subsequently said: Mr. President, I should like to avail myself of this opportunity to associate myself with the remarks of the Senator from Minnesota in a colloquy which he had with the Senator from Arkansas on the sugar bill. I most emphatically uphold the position taken by the Senator from Minnesota in the matter.

LEGISLATION AGAINST THE CLOCK

Mr. BENDER. Mr. President, one of the strange characteristics of legislative bodies all over the world is their tendency to fix adjournment deadlines for the purpose of speeding up the legislative process. By scheduling an arbitrary date, they somehow accomplish in a few weeks time a tremendous amount of work which might well have been completed weeks earlier on a more orderly routine.

As a Member of the United States Senate, the United States House of Representatives, and the Ohio State Senate earlier, this observer has always believed that we could do a better job of preparation if certain types of bills had established priorities with definite time limits on their consideration. For example, all measures providing for appropriations should be considered and completed by Congress within 4 months of the session. Bills dealing with particular departments of governmental activity, the military, agricultural, Post Office, Labor, and similar important agencies should be timed within an additional 2-month period, so that the log jam which now develops in virtually every session might be avoided.

Legislation against the clock in the last days before an agreed adjournment date frequently results in charges that the legislators have not even seen the latest revised versions of bills being enacted. There ought to be a better way of doing the job.

REQUEST FOR PRESENCE ON THE FLOOR OF CERTAIN COMMITTEE AIDS

Mr. KILGORE. Mr. President, I ask unanimous consent to have available on the floor the chief counsel of the Immigration Subcommittee of the Committee on the Judiciary, and also the chief clerk of the Judiciary Committee. It will save a great deal of time in considering bills reported by that committee, of which there may be 25 or 30.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia?

Mr. KNOWLAND. Mr. President, reserving the right to object, what was the Senator's request?

Mr. KILGORE. Mr. President, on Saturday a large number of bills were reported from the Judiciary Committee, and I should like to have present on the floor the chief counsel and the chief clerk of my committee, because I understand the bills will be brought up on motion. That action is not like calling the bills on the calendar. There will be some claim bills in the same category.

Mr. KNOWLAND. Mr. President, I shall not object, provided the majority and minority leaders are furnished with a list of the bills and a brief statement of what they deal with, so that we can have prior opportunity to consult with our calendar committees.

Mr. KILGORE. The bills have been reported to the calendar, but did not get on the printed calendar.

Mr. KNOWLAND. With the understanding that no bills will be called up until the information I have suggested has been furnished, I have no objection.

Mr. CLEMENTS. Mr. President, I join in the statement made by the minority leader. Permit me to state for the benefit of the entire Senate that there will be no measures called up by the acting majority leader which are not on the calendar at this time, so that Senators who are interested will have an opportunity to look over the bills, reports, and memorandums furnished by the distinguished chairman of the Judiciary Committee.

Mr. KILGORE. Mr. President, if I had my way, none of them would be called up at this time, but, fearing that some Member of the Senate should call them up, I wanted to be in position to furnish the information. I shall be glad to furnish a list of the bills reported as soon as I have an opportunity to do so.

Mr. CLEMENTS. Can the Senator from West Virginia advise us as to how many of these bills there are?

Mr. KILGORE. My recollection is that there are 17 immigration bills, and several claims bills.

Mr. CLEMENTS. Are they Senate or House bills?

Mr. KILGORE. They are all House bills.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that I may have my assistant on the floor when the Senate considers some bills in regard to retirement.

The PRESIDENT pro tempore. The Chair is of the opinion that when the clerk of any committee is on the floor at the invitation of the chairman of the committee, in the discharge of his duties, he is entitled to be present.

RULE RELATING TO THE PRESENCE ON THE FLOOR OF SENATORS' ASSISTANTS

Mr. MORSE. Mr. President, the Committee on Rules and Administration has brought forward a rule that no Senator may have more than one assistant on the floor of the Senate at any given time during the day.

I think such a rule would result in great detriment to the efficiency of the Senate. Some of us will be engaged in a series of very important conferences today, in connection with which various members of our office staffs must be at our side at all times.

I now serve notice that I shall resort to a series of quorum calls whenever it is necessary for me to have the benefit of assistance from members of my staff.

I think this action on the part of the committee is perfectly silly.

MENACE OF THE RUSSIAN SMILE

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks an article which appeared in the New York Herald Tribune this morning written by the able correspondent Roscoe Drummond, under the title "Menace of the Russian Smile." I believe Mr. Drummond is an accurate and careful reporter. The article which was written at Paris is an after look at the developments growing out of the Geneva conference and the problems ahead. I think it is worthy of the attention and reading of not only all Members of the Senate, but of as many Americans as may see the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MENACE OF THE RUSSIAN SMILE

(By ROSCOE DRUMMOND)

PARIS.—The more I look back on the Summit Conferences, the less beneficent and at points the more ominous it becomes.

I do not belittle the conference in the least. Conceivably there may be some invisible dividends to come. It was useful in that it is always useful to know the worst.

In retrospect, it seems to me that the worst at Geneva becomes increasingly clear—that the Soviet Union is determined to settle nothing, is intent upon holding East Germany in its vise unless it can dictate the foreign policy of all Germany and is using cordial manners as its instrument of non-negotiation.

I do not reach this conclusion because nothing was settled at Geneva. Geneva is not ominous because nothing was settled; the Big Four did not intend to settle anything there. Geneva is ominous because everything that the Soviets did at Geneva showed that behind the facade of massive cordiality was a massive hostility to any settlement of any issue in any part of the world except on complete acceptance of Soviet terms.

Every critical disagreement imbedded in the cold war before the meeting—over German unification over European security, over disarmament—was as great if not greater at the end.

For the most part, the Russians talked amiably at Geneva. But they contributed nothing to advance a single solitary compromise at Geneva. They agreed to talk some more in October. There is every evidence that their purpose was not to promote any settlement at any point; their purpose was something else and it doesn't look good to me.

President Eisenhower, even Premier Faure—all the Western leaders—went to Geneva intent upon offering the Soviet a whole series of new far-reaching security guaranties against a rearméd Germany, against NATO, against aggression from any direction, if they would accept free German elections and unification. The Western promise was that if we would solidly ally Russia's fear of a rearméd Germany, the principal barrier to a unified Germany would be removed.

We found nothing but a stone wall at Geneva.

We offered three layers of security to Prime Minister Bulganin if the Kremlin would permit German reunification. We offered:

1. A joint security pact embracing the United States, Britain, France, a united Germany and the U. S. S. R., guaranteeing that each would be defended by all in the event of aggression;

2. A joint arms control and inspection in which the Soviets would be partners in con-

my staff. Under the rule of the Senate, I cannot have him with me without permission, and I would suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the Senator from Delaware is entitled to the floor.

Mr. GREEN. Mr. President, I simply wished to move that the report be agreed to.

Mr. WILLIAMS. I understood the Senator from Oregon [Mr. MORSE] wished to suggest the absence of a quorum. I do not yield for that purpose at this time.

Mr. President, I ask that these interruptions follow my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT AND EXTENSION OF SUGAR ACT OF 1948, AS AMENDED

Mr. FULBRIGHT. Mr. President, I understand that the sugar bill, H. R. 7030, is at the desk. I wish to object to the second reading of that bill.

The PRESIDING OFFICER. The Chair lays before the Senate the bill in question, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the second reading of the bill?

Mr. FULBRIGHT. Mr. President, I object to its second reading.

The PRESIDING OFFICER. The bill will go over for a day.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT, RELATING TO ACCREDITED SERVICE IN CERTAIN CASES

Mr. JOHNSTON of South Carolina. Mr. President, there is at the desk a message from the House of Representatives, transmitting to the Senate the amendments made by the House to Senate bill 1041. I ask that the message be laid before the Senate.

The PRESIDING OFFICER (Mr. BARKLEY in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1041) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes, which were on page 1, line 9, after "employee" insert "of the United States Government or the municipal government of the District of Columbia"; on page 2, lines 1 and 2, strike out "(other than a position described in this paragraph)"; and on page 4, strike out all after line 15 over to and including line 4 on page 5.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate disagree to the amendments of the House, request a conference thereon with the House of Representatives, and

that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSTON of South Carolina, Mr. NEELY, and Mr. CARLSON, conferees on the part of the Senate.

HAROLD E. TALBOTT, SECRETARY OF THE AIR FORCE

Mr. CHAVEZ. Mr. President, I ask unanimous consent that at this time I may proceed for 4 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator from New Mexico is recognized for 4 minutes.

Mr. CHAVEZ. Mr. President, in recent days a great deal has been said and written, both here and elsewhere, about the propriety of certain actions of the Secretary of the Air Force, the Honorable Harold E. Talbott. It is not my purpose today to discuss the charges made as to the correctness of his behavior, and nothing I say at this time should be interpreted as indicative of my attitude on the matter.

However, in view of the publicity given to certain actions of the Secretary, I thought that in all fairness to Mr. Talbott, I should rise to describe him as I have known him during the past several years since he has been Secretary of the Air Force and, more particularly, during the past session, when, as chairman of the Department of Defense Subcommittee of the Senate Appropriations Committee, I have come to know him quite well.

Mr. President, during this period I have found in Secretary Talbott the qualities of leadership and ability which are requisite to the highly responsible position which he holds. In my personal association with Mr. Talbott, I have found him to be a most able and conscientious public official, having ever utmost in mind the national welfare in the interest of the United States Air Force. Furthermore, in his dealings with the Senate Appropriations Committee, I have found Harold Talbott to be both direct and forthright. He has always been willing, even eager, to reveal to us the problems which have beset the Air Force in its attempt to provide the greatest possible defense, despite continuing changes in design and production which necessitated frequent realignment of plans. In direct testimony, in private conversation, and in action itself, he has revealed himself as a man of courage and decision. Mr. Talbott has put forth almost superhuman organizational effort in bringing our Air Force to the 137-wing level, to give us the strongest national defense possible within our economic means. The 137-wing program is far ahead of schedule, and I understand that mainly due to his efforts.

In my travels about the country and abroad, I have heard only praise for Mr. Talbott and his direction of the great United States Air Force. The enlisted men especially are most eloquent in their praise of the Secretary. Mr. Talbott has constantly appealed for measures to help

the personal lot of our airmen: for instance, such measures as those for better housing, stabilized tours of duty, and concurrent travel for the families of enlisted men serving overseas. In short, Mr. President, he has taken a great interest in the morale of our airmen; in fact I must say that, not only has he taken such an interest, but he has done something about it.

I suspect there have been few men in Government service who have devoted more hours and given more of themselves to their jobs than has the Secretary during his term of office. Much of this has been done with great personal sacrifice of time, energy, and comfort, and to a degree at least, of personal safety. He has traveled more miles inspecting installations than can be accurately counted. On frequent occasions he has sacrificed his personal wishes, occasions in order to bring cheer to, and raise the morale of, the enlisted personnel in the far-flung reaches of our Nation's air outposts.

Mr. President, I must reiterate what I said at the beginning of my remarks, namely, that I am not addressing myself to the present difficulty of Mr. Talbott.

Mr. MORSE. Mr. President, will the Senator from New Mexico yield to me at this point?

Mr. CHAVEZ. I yield.

Mr. MORSE. Does the Senator from New Mexico think it was ethical of Mr. Talbott, while Secretary of the Air Force, and while a member of the Mulligan firm, to write letters, on Air Force stationery, to companies which had or hoped to have contracts with the Air Force, urging them to employ the Mulligan firm for an efficiency engineering service?

Mr. CHAVEZ. Mr. President, at the beginning of my remarks I said that I am referring only to the official service of Mr. Talbott as Secretary of the Air Force.

Mr. MORSE. I understand that, and I am asking what the Senator from New Mexico thinks of the conduct of Mr. Talbott regarding the course of action which he admitted in the committee he had taken.

Mr. CHAVEZ. I think he was most indiscreet.

Mr. MORSE. Does the Senator from New Mexico think that one who was so indiscreet as was Mr. Talbott on that occasion would instill in the American people confidence in the ethics of the office of Secretary of the Air Force?

Mr. CHAVEZ. I have known people who have been indiscreet and whom I would trust after they got over their indiscretions.

Mr. MORSE. Does the Senator from New Mexico think the American people ought to put Mr. Talbott on probation because of his past indiscretions, which go back a long time, and give him another chance?

Mr. CHAVEZ. Because a boy or a girl, or the Secretary of the Air Force, commits an indiscretion, I do not think we should kick him around.

Mr. MORSE. Is the Senator arguing for probation for a delinquent Government official?

Mr. CHAVEZ. No. I am trying to be fair with a man who has done a fine job for the Air Force.

Mr. MORSE. I am sure I do not have to tell the Senator from New Mexico the danger of his statement so far as public interpretation is concerned. That is why I want him to clarify it. Am I to understand that the Senator is sustaining Mr. Talbott—

Mr. CHAVEZ. If the Senator will let me read the next sentence, I think he will understand my feeling.

Mr. President, I must reiterate what I said at the beginning. I am not addressing myself to the present difficulty of Mr. Talbott.

Mr. MORSE. But the American people are greatly concerned about the present difficulty of Mr. Talbott.

Mr. CHAVEZ. I am for the American people. Whatever they want to do is good enough for me.

Mr. MORSE. I want to know what the Senator from New Mexico thinks we ought to do about Mr. Talbott's indiscretions. Should he be left in the office of Secretary of the Air Force or not?

Mr. CHAVEZ. I am willing to trust the President of the United States.

Mr. MORSE. I happen to disagree on that score. It is the business of every Senator. The Senator has the record. What is the Senator's judgment as to what should be done?

Mr. CHAVEZ. My judgment is that he has been a fine Secretary of the Air Force.

Mr. MORSE. And on the basis of his record as Secretary of the Air Force, although the Senator admits his indiscretions, the Senator thinks he ought to be left in office as Secretary of the Air Force?

Mr. CHAVEZ. I am not going to be the judge of things for which the executive department has the responsibility.

Mr. MORSE. I think we have a responsibility, too.

Mr. CHAVEZ. Mr. President, I must reiterate what I said at the beginning. I am not addressing myself to the present difficulty of Mr. Talbott, but I think we must give credit where credit is due. I am trying to give credit for his actions as the Secretary of the Air Force. In my opinion the Secretary of the Air Force, Mr. Talbott, has—and I quote another—"done an almost brilliant job." I will go one step further and compliment Mr. Talbott and his efforts as Secretary by saying that he has done a brilliant job as Secretary of the Air Force.

Mr. MORSE. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Oregon?

Mr. MORSE. Mr. President, I desire the floor in my own right.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I should like to comment on what the Senator from New Mexico has said.

Even on the basis of Mr. Talbott's record as Secretary of the Air Force, he ought to be dismissed, irrespective of his indiscretions.

Let us not forget that it was under this man that the appropriations for the Air Force were so cut back that there is now great concern as to whether or not Russia is so far ahead of us with respect to certain airpower that we would hate to think what would happen if we got into a Pearl Harbor with Russia in the air tomorrow.

I do not share the view of the Senator from New Mexico, even as to the record of Mr. Talbott in carrying out the duties of Secretary of the Air Force. I have sat in this Chamber and listened on a number of occasions to the speeches of the distinguished Senator from Missouri [Mr. SYMINGTON].

I have said on the floor of the Senate, and I repeat today, that I do not think there is a man in America who is better versed on the airpower needs of this country than is the Senator from Missouri, a former Secretary of the Air Force. If one reads the Symington speeches, he cannot square those speeches with the course of action which Mr. Talbott has followed as Secretary of the Air Force.

Therefore, my reply to the Senator from New Mexico is that I completely disagree with his evaluation of Mr. Talbott as Secretary of the Air Force. I happen to know something about the low state of morale which exists in the Air Force today as a result of the indiscretions of Mr. Talbott.

I intend, before the Senate adjourns today, to speak at greater length and to refer to some new information with regard to this man's financial practices. However, as of this moment, let me say that the Senator from New Mexico does not make a case for Mr. Talbott as Secretary of the Air Force. The Senator from New Mexico is very careful not to try to make a case for him with respect to his indiscretions. As to his indiscretions, he suspends judgment.

I wish to register my judgment, on the basis both of his indiscretions and his mistakes. I think on either basis Mr. Talbott ought to be kicked out of office.

Mr. CHAVEZ. Mr. President, in reply to my good friend, the distinguished Senator from Oregon, let me say that, of course, I understand what he has in mind when it comes to the question of trying to provide for the Air Force. Mr. Talbott appeared before the defense subcommittee of the Committee on Appropriations. The Senator from Missouri [Mr. SYMINGTON] appeared before the full committee, and the full committee gave all the cooperation possible with respect to both the suggestions of the Secretary of the Air Force and the suggestions of the Senator from Missouri.

So far as the chairman of the defense subcommittee of the Committee on Appropriations is concerned, so far as the full committee itself is concerned, and so far as what Congress does is concerned, I do not believe my good friend from Missouri has any complaint whatsoever.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MORSE. The speeches of the Senator from Missouri speak for themselves. They are full of complaints.

Mr. CHAVEZ. I shall let the Senator from Missouri speak for himself, rather than have the Senator from Oregon speak for him.

LEAVES OF ABSENCE—TRIBUTES TO SENATOR GEORGE

Mr. GEORGE. Mr. President, I wish to submit a unanimous-consent request. I am very loath to make the request, and yet I feel that I must. I am desirous of seeing a few items on the calendar disposed of; but my associates on the Foreign Relations Committee know very well my position. I now ask unanimous consent—because I believe I should do so—to be excused from further attendance upon sessions of the Senate during the remainder of the present session.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. CHAVEZ. Mr. President, I should like to make a similar request. I ask unanimous consent to be excused from attendance upon sessions of the Senate until the next session of Congress.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. MORSE. Mr. President, as the Senator from Georgia leaves the Chamber, let me say that I am sure I speak the viewpoint of the other 95 Members of the Senate when I say that he goes with our best wishes for a very pleasant period of rest and relaxation between now and the next session of Congress. He goes with our wishes for every possible success. He goes with our deep gratitude to him for the statesmanship and leadership he has afforded the Senate during the many years he has served in this body. We owe him a great debt.

Mr. KNOWLAND. Mr. President, I should like to join in paying tribute to the distinguished senior Senator from Georgia, who is the respected chairman of our Foreign Relations Committee, and who has so ably handled the affairs of that committee during this session of the Congress.

He has cooperated most fully with the President and the Secretary of State in helping to expedite action on various important measures through the Committee on Foreign Relations and through the Senate. He has done so not as a partisan, but as a great American. He has our best wishes, and our hope for many more years of the same brilliant service in the Senate as he has performed during his long and distinguished career.

Mr. MANSFIELD. Mr. President, I wish to join my distinguished colleagues in their expressions of regard and appreciation for the chairman of the Committee on Foreign Relations, the senior Senator from Georgia. We know that in the preceding months he has made a magnificent contribution not only to the welfare of this country, but to the welfare of countries throughout the free world, and, in fact, to the entire world. In the field of foreign policy, he has been the icebreaker in plowing through the cold fields. It is to him that this country and the free world is indebted for the easing of tensions which, at least on the surface, now seems to be taking place.

I certainly wish to voice the sincere hope and devout prayer that this great

the Senator to give me one good reason why a man and his wife should be required to file a list of their assets and liabilities in order that the husband may come to Washington to serve the Government and help the Government at the Government's invitation.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield for a question.

Mr. HUMPHREY. The Senator has almost persuaded me on this issue, and will persuade me if he does not become too exuberant about his position. I said I thought the Senator was making a fairly good case. I was wondering, however, whether the Senator felt the same sort of spiritual indignation against what Congress does to other people. I should like to hear the Senator say whether he feels the same sense of indignation when poor, humble employees are required to file information about their grandfather, grandmother, uncle, aunts, and nieces for three generations under a security program of the Government. I wonder whether he feels the same sense of moral indignation in such cases. On this issue he is showing the wrath of the Old Testament. However, I wonder whether he would show the same kind of righteous indignation and Old Testament wrath about other things, and whether he would become so excited when some poor humble servant of the Government is falsely accused under a security program of the Government, and whether he would become so excited about the Ladejinsky case, for example.

Mr. CAPEHART. Mr. President, I did not yield to the Senator from Minnesota to make a speech. I stand on my own record on those subjects, because the Senator knows I have stood on the floor of the Senate defending a man I thought had been falsely accused. He is a man by the name of Young.

I have done so before, and I shall continue to do so in the future. The Senator from Minnesota is up to his usual tactics. He would like to divert attention from the main subject. He is very good at that. I congratulate him on being able to divert attention from the subject under discussion to other subjects.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HUMPHREY. The Senator from Indiana was in such splendid form tonight that he got to the point where he almost persuaded me. I was buying everything he said. I just wondered whether he wanted to take his moral indignation into other areas. If so, we could clean up a number of proposals this evening. He proposes that we recommit the conference report to the conferees because of the amendment under discussion. Yet we have been told time after time we cannot send anything back to conference, because if we do we will lose the whole bill.

Mr. CAPEHART. I did not yield the floor for the purpose of having the Senator make a speech.

Mr. HUMPHREY. I am glad to have had the opportunity to say what I did.

Mr. CAPEHART. This is one conference report which ought to be sent back to conference, and I shall make my motion to send it back in a minute.

In closing, I must say that I am still amazed that Members of the Congress would propose such an amendment as this. I simply cannot understand it. I can understand trying to tighten up the rules and regulations under which these gentlemen are to operate, and we had such a provision in the bill. Another provision we had in the bill was President Truman's Executive order, which he wrote back in 1950 or 1951, governing employment or service of this sort. We made that order a part of the proposed legislation. We made it a part of the bill.

We are talking about this provision of the bill, not about another matter.

Mr. President, I move that the conference report be recommitted, with instructions to the Senate conferees to strike the language on page 8, starting on line 11 and going through line 20.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. The Senator from Illinois would like to inquire whether it is in order to move to reject a conference report stating the specific points upon which the report is to be rejected.

The PRESIDING OFFICER. A motion to recommit takes precedence over the question of agreeing to the conference report.

Mr. DOUGLAS. I raise the point of order, therefore, that the motion of the Senator from Indiana is out of order.

The PRESIDING OFFICER. The question must be put in the affirmative, rather than the negative form.

Mr. DOUGLAS. I make the point of order that the motion of the Senator from Indiana is out of order.

The PRESIDING OFFICER. The Chair is advised that, since the House has not agreed to the report, the motion is in order.

SEVERAL SENATORS. Vote! Vote!

Mr. ALLOTT. Mr. President, I should like to suggest the absence of a quorum.

Mr. SPARKMAN. Mr. President, will the Senator withhold his suggestion for a moment so that I may propound a parliamentary inquiry?

Mr. ALLOTT. I withhold my suggestion of the absence of a quorum.

Mr. SPARKMAN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. As I understood the motion of the Senator from Indiana, it was to recommit and to instruct. Are both parts of the motion in order at this time?

The PRESIDING OFFICER. A motion to recommit with instructions is in order. The question is on agreeing to the motion of the Senator from Indiana.

Mr. MORSE. Is the motion subject to debate?

The PRESIDING OFFICER. The motion is debatable.

Mr. MORSE. Mr. President, I shall be very brief. I believe we need to re-

view a little history on the w. o. c. controversy in Congress this year. When the matter came before the Committee on Banking and Currency originally, 2 or 3 months ago, we held prolonged hearings on the matter, and a considerable amount of discussion in committee.

Very briefly, the result of the hearings in the committee was the adoption in committee of the Morse amendment on the w. o. c. issue. In essence, the amendment provided that the w. o. c.'s could be called to Washington for advisory work and consultative work, but that they should not be put in administrative and policymaking positions.

The Morse amendment was adopted in committee. It was in the bill when it came to the floor of the Senate. We are familiar with the debate that took place on the floor of the Senate. By a vote of 46 to 45 the Capehart amendment was adopted. In effect, the adoption of the Capehart amendment knocked out the Morse amendment. It was a vote which was decided on a straight party line. That is the sort of vote I always regret in the Senate on a controversial issue. In my 10 years in the Senate I have seldom found my colleagues in disagreement on the merits of an issue on the basis of their membership in a party. Irrespective of which side of the aisle we sit on, we do not generally disagree on an issue on the basis of our party membership. Yet on this issue it was very obvious that the vote was cast on the basis of a strict party-line mandate.

We went into conference. The House had language in its bill which I preferred to the Capehart amendment adopted by the Senate. There is some dispute among us whether the House language is more exacting than the language which was finally adopted in committee. As I sat in conference and listened to the House conferees particularly the able arguments made by the distinguished Representative from Texas [Mr. PATMAN], I decided the House language was preferable to the Senate language, and I believe the RECORD will show that I made the first motion that the Senate recede.

There was then a roll call in the House, and the conference had to recess. We were to come back an hour later. During the interim, agreement was reached on the language which was finally adopted, although several alternatives had been proposed. My friend the Senator from New York [Mr. IVES] had offered a substitute, and I believe the Senator from Illinois [Mr. DOUGLAS] had also offered an alternative. I believe the clerk of the committee, not by way of recommendation, but by way of draftsmanship—came out with the final form in which the amendment was adopted.

The argument which persuades me over all others was made by the Senator from Illinois, that we are, for the first time in our history, short of war, asked to waive criminal statutes in regard to conflicts of interest.

No one objects to these dollar-a-year men working for the Government. If they want to work for the Government and not have any restrictions imposed upon them as to the filing of information

which we are entitled to have in order to pass judgment upon their course of action in policymaking positions, they can resign from their positions in business and come in as Government career employees, as have other Government career employees. But the danger which concerns many about this matter is the fact that these people, purportedly working for the Government, receive their pay from the corporations in which they are officers or from labor unions in which they are officers.

There has been much talk about it from the standpoint of business. This is a universal matter. There are involved w. o. c.'s from labor, agriculture, and many other economic groups.

My position is simply that I do not think the criminal statutes in reference to conflicts of interest, should be waived when a man comes into Government service, and occupies a position in which it is possible for him to render judgment and make policies, when at the same time he receives pay from a corporation, a labor union, or a farm organization. We think that in peacetime we ought to scrutinize very carefully the decisions such a person makes, and we ought to have a full disclosure as to his sources of income.

The Senator from Indiana has commented upon the fact that we do not require it of ourselves. We should. Year after year, since 1946, I have offered a proposal to have every Member of Congress file with the Secretary of each House each year the sources and the amount of his income. I see no reason why that should not be a matter of public disclosure. I am willing to vote for that tonight, if it should be taken up.

Mr. SPARKMAN. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. SPARKMAN. I think the Senator makes a very fine point, with which I am certainly in agreement. But may I remind the Senator that we are not immune from the conflict-of-interest statute.

Mr. MORSE. I was coming to that. We are not immune from the conflict-of-interest statute; and I think, Mr. President, that we should not be asked to waive the criminal statute in peacetime. I think it has proved itself to be a sound historic policy. It is quite a different thing in time of war, when men are motivated by patriotic impulses in doing everything they can for the successful prosecution of the war.

We have come out of conference with this proposal. The total bill, in my judgment, is of much concern to defense mobilization. I think the conflict we have had over w. o. c. should go over until January. We can accept this bill as it came out of conference, and if the Senator from Indiana wants to propose an amendment next January we can thrash it out then. But I do not think, in these dying hours of Congress, we should get into this so-called hassle.

I say, goodnaturedly, Mr. President, that I think a mistake was made some weeks ago when issue was made of the matter when the Senate had before it a bill which did not, in my judgment,

protect the public interest so far as the criminal statute is concerned.

Mr. ROBERTSON. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. ROBERTSON. What else is in the bill beside the w. o. c. question?

Mr. MORSE. There is a great deal in the bill besides that, so far as defense mobilization is concerned.

Mr. ROBERTSON. Is there any necessity to adopt the conference report, or is it an inconsequential matter as to whether or not we defeat the proposed legislation?

Mr. MORSE. I am sure the administration would think it is consequential, because the administration, through Dr. Flemming and through the Secretary of Commerce, has made strong presentations for this bill. If we take the testimony of Dr. Flemming, which was given at some length, and that of Secretary Weeks, which was given at some length, they think it is a good bill. It does not affect the so-called reserve program for businessmen. Businessmen in the so-called reserve are not affected at all by this amendment.

Mr. ROBERTSON. Is it not legislation which the President urged us to pass as being very necessary?

Mr. MORSE. That is correct.

Mr. ROBERTSON. Has not the original legislation already expired? Whatever was in the Defense Production Act is now dead.

Mr. MORSE. I think the corpse is sufficiently warm so that if we can pass the bill tonight we can resuscitate it.

Mr. ROBERTSON. It expired on Sunday, and this is to keep it alive; is that correct?

Mr. MORSE. The Senator knows that by passing this bill we will bring it back to life. Therefore, I think we should not get into a heated controversy about it tonight. I think we should agree to the conference report and then, in January, adopt amendments, if they seem wise.

The PRESIDING OFFICER. The question is on the motion of the Senator from Indiana to recommit the conference report, with instructions.

Mr. CAPEHART. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

PROPOSED SUGAR LEGISLATION— NOTICE OF MOTION TO SUSPEND PARAGRAPH 3 OF RULE XIV AND PARAGRAPH (A) OF PARAGRAPH NO. 1 OF RULE XXV OF THE STAND- ING RULES OF THE SENATE

Mr. LONG. Mr. President, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention hereafter to move to suspend paragraph 3 of rule XIV and paragraph (h) of paragraph numbered 1 of rule XXV of the Standing Rules of the Senate, to the end that it may be in order to move that the Senate proceed to the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, without a reference of the bill to the Senate Committee on Finance.

Mr. President, I am giving this notice in order that it may be possible for the Senate to consider the Sugar Act before Congress adjourns. I know there is an emergency insofar as the sugar industry of the South is concerned, particularly in the State of Louisiana. I believe there is some distress in the sugar industry in some of the western areas. It is necessary to enact legislation for the benefit of many thousands of individuals engaged in the production of sugarcane in Louisiana, and perhaps for the relief of farmers in some of the Western States which produce sugar beets. It is necessary to suspend the rules because of the delaying tactics on the floor of the Senate which prevent the measure from being considered in the usual manner.

I realize that some of our friends think we should let foreigners produce all the sugar, but that is not the judgment of the majority of the membership of this body, and it is not the judgment of any substantial minority. When a hardship exists in some areas of the country, I think it is vital that it be relieved at this session of the Congress.

Mr. DOUGLAS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. DOUGLAS. The Senator is aware that I have the highest personal opinion of him, which I have expressed countless times in his home State.

May I ask my good friend if he will state what is the practical effect of his motion? I am not so skilled a parliamentarian as is the Senator from Louisiana, and I should like to know whether it is the Senator's intention to ask for a suspension of the rules tonight or tomorrow?

Mr. LONG. The rules require that notice of a motion to suspend the rules be given at least 1 day in advance. Therefore, I am giving notice that tomorrow or thereafter, before Congress adjourns, I intend to move to suspend the rules.

I should like to say to my good friend from Illinois, for whom I have the highest admiration, that a situation exists in the sugarcane industry which requires some relief. The Federal Government does not buy sugar as it buys wheat or corn in the State represented by the able Senator from Illinois. It happens that the weather has been rather favorable to the production of sugar, and private financing is required to carry large amounts of sugar over from year to year. In order to obtain the private financing required to carry over the sugar and prevent it from going to waste, it is necessary to amend the Sugar Act to provide some relief for the domestic industry.

Mr. DOUGLAS. I wonder if the Senator from Louisiana would inform me whether the present Sugar Act expires this year or continues until 1956.

Mr. LONG. The act does not expire this year, but an amendment is necessary because of the large surplus of sugar, even though the sugar producers are subject to acreage limitations. When there is such a limitation with regard to other products, the Federal Government moves in and finances the carrying of the surpluses.

Mr. DOUGLAS. The Senator from Illinois admires the Senator from Louisiana for his qualities; and one of his qualities is the frankness with which he always speaks. The Senator from Louisiana does not deal under the table.

I wonder if the Senator from Louisiana would inform the Senate whether the hearings held in the House on this matter were printed.

Mr. LONG. I am not familiar with the situation that existed in the House. I know the proposed legislation was delayed interminably. It has been held up almost this entire session.

This is the type of legislation which must originate in the House. The Senate, which has a similar Senate bill having 49 sponsors, had to wait until the closing days of the session before the bill came from the House. As a matter of fact, the House bill is presently at the desk not yet referred to the committee.

Mr. DOUGLAS. The Senator from Illinois read the CONGRESSIONAL RECORD on Sunday, when he was somewhat fatigued following the long conferences which we have been having. Representative COOLEY, of North Carolina, stated that the hearings had not been printed. The House had, in fact, been called upon to vote, almost in the dying hours of the session, on a bill on which hearings had not been printed. In checking up on my statement, I find I am correct and that Congressman COOLEY made the statement I have ascribed to him on page 10631 of the CONGRESSIONAL RECORD of July 30, 1955. The statement will be found on the first line of the first column.

May I ask the Senator from Louisiana whether the Senate Committee on Finance has held any public hearings on the bill?

Mr. LONG. No; public hearings have not been held on the bill, although I believe the Senator will find that if the House agrees to have the House hearings printed, they will be readily available. The hearings were conducted some time ago. I see no reason why they should not have been printed.

Mr. DOUGLAS. I have now checked, and I find that this morning my office made inquiry as to whether or not the printed House hearings could be obtained. We were told by the Committee staff that the hearings had not been printed. Being unable to obtain them, and with this statement from the staff of the House Agriculture Committee, we believe that Representative COOLEY, chairman of the House Committee on Agriculture, was correct in his statement that the hearings were not printed.

This is a bill on which the House had to act with its eyes closed, because the Members did not have the facts contained in the hearings. It is a bill which the Senate Committee on Finance has reported almost at the very last minute, without hearings.

So I believe I was justified in raising the point of order and insisting that the bill should not be acted on today. I am very glad the Senator from Louisiana has postponed the consideration of his motion until tomorrow. I suppose that means that the bill cannot be considered tomorrow except by unanimous consent,

which, in my present mood, I am disposed to agree to.

Mr. LONG. No; I am now giving notice that by agreement of two-thirds of the Senate, the bill may be considered tomorrow.

Mr. DOUGLAS. Am I to understand that the Senator from Louisiana will, tomorrow, move to suspend the rules so that, without delay the Senate can proceed to the consideration of the bill, instead of doing so after the normal waiting period of 1 day?

Mr. LONG. That is correct. I should like the Senator from Illinois to know that this is a subject which has been considered by the Committee on Finance. It is proposed legislation which should have been considered at an earlier date. It is a bill which is supported by the sugar industry and the sugar producers of the United States. The bill is also supported, I understand, by the sugar processors of the United States. There is no objection to the bill by the domestic producers or by any important segment of the sugar industry of the United States.

I believe the Cubans may not like the bill very well. There may be some persons in other foreign countries who might feel that they were entitled to somewhat larger quotas. But the bill has been carefully considered; and I feel certain that when the Senators understand the provisions of the bill, it will be passed by a large majority.

Mr. DOUGLAS. Has the Senator from Louisiana consulted the consuming interests, to determine whether they favor the bill?

Mr. LONG. The Senator can assume that it is possible to purchase sugar cheaper if we do not consider the needs of the domestic sugar industry. The same principle could be applied to many industries in Illinois and other places.

But it has been congressional policy that we should have a certain amount of sugar production in the United States, so that it will be available to the Nation in time of war or other national emergency.

If one considers the real income of the American people, sugar is available more cheaply in this Nation than it is in probably any other nation in the world.

Mr. DOUGLAS. Can the Senator from Louisiana inform me on a further point? Since there may not be much time tomorrow to consider the measure, will the Senator inform the Senate whether there are price support provisions in the bill?

Mr. LONG. No; there are no price supports in the bill which will be submitted. It is the intention of the members of the Committee on Finance to submit, as a substitute for the House bill, the Senate bill, which was studied by the Committee on Finance. We had no opportunity to consider the House bill directly, but we considered the language of the House bill. The bill is not a price support bill.

Mr. DOUGLAS. What percentage of parity is the Secretary of Agriculture supposed to take into consideration in fixing the acreage of domestic sugar to be planted?

Mr. LONG. That is not involved in the recommendation which will be made by the members of the Finance Committee. Parity provisions were contained in the House bill.

Mr. DOUGLAS. Is it not true that the parity provisions for sugar in the House bill, which was endorsed by the Secretary of Agriculture, was 90 percent?

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. CAPEHART. The Senator from Louisiana does not have the floor. I have the floor. I should like to make inquiry of the Senator how much longer he will take.

Mr. LONG. I have given my notice.

Mr. CAPEHART. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Indiana has the floor, and has control of his own time. He need not yield if he does not wish to.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. As I understand, the question pending before the Senate is the motion of the Senator from Indiana to recommit the conference report with instructions to delete.

The PRESIDING OFFICER. That is correct.

Mr. KNOWLAND. And the yeas and nays have been ordered.

The PRESIDING OFFICER. That is correct.

Mr. MUNDT. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MUNDT. I think the junior Senator from Louisiana, with his understandable affection for the deep South, has given the implication that the sugar bill is of interest only to the producers of cane sugar.

Since it is the intention to have a vote tomorrow on the motion to suspend the rule, I should like to amplify the RECORD by saying that the bill is of great importance to those who are engaged in the beet-sugar industry in the West. I sincerely hope that the Members who are interested in the beet-sugar industry will be on hand tomorrow and that they will vote to suspend the rule, so that the Senate can consider the bill and make whatever salutary, necessary amendments may seem to be desirable, and to have the bill approved before the adjournment of Congress.

The reason for the existence of this situation is that some dilatory tactics have been engaged in by certain Members of this body, the echoes of the voices of some of whom are reverberating in the Chamber. Thus it is necessary to utilize whatever parliamentary tactics are available to have this important measure passed before Congress adjourns.

DEFENSE PRODUCTION ACT— CONFERENCE REPORT

The Senate resumed the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill

(S. 2391) relating to the Defense Production Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana [Mr. CAPEHART] to recommit the conference report with instructions. On this question the yeas and nays having been ordered, the clerk will call the roll.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Millikin
Allott	Hennings	Monroney
Barkley	Hill	Morse
Beall	Holland	Mundt
Bender	Hruska	Murray
Bennett	Humphrey	Neuberger
Bush	Ives	Payne
Capehart	Jackson	Potter
Carlson	Johnston, S. C.	Robertson
Case, N. J.	Kefauver	Saltonstall
Case, S. Dak.	Kerr	Scott
Clements	Knowland	Smathers
Cotton	Kuchel	Smith, Maine
Curtis	Langer	Smith, N. J.
Dirksen	Lehman	Sparkman
Douglas	Long	Stennis
Duff	Magnuson	Symington
Dworshak	Malone	Thurmond
Ellender	Mansfield	Thye
Ervin	Martin, Iowa	Watkins
Flanders	Martin, Pa.	Wiley
Fulbright	McCarthy	Young
Goldwater	McClellan	
Green	McNamara	

The PRESIDING OFFICER. A quorum is present.

Mr. SPARKMAN. I shall not delay the Senate long, Mr. President, but I wish to point out a very few matters before a vote is taken. First of all, I wish to say the report which has been submitted to the Senate represents, in my opinion, and I believe in the opinion of a majority of the conferees, the best we were able to get. Remember, this is not a matter which is wholly within the hands of the Senate conferees to decide. We certainly obtained a modified version of what the House passed. The motion is to recommit the conference report, with instructions. Remember what those instructions are—to delete this language—period. What are we going to do when we delete the language?

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLEMENTS. At this late hour of the first session of the 84th Congress, are we not in the position of having before the Senate an important piece of legislation which has been passed by both the House and the Senate, as to which there has been a little difference in version? That difference has been resolved by a majority of the conferees. If the conference report is not adopted, is there not a real chance that the bill will not be enacted at this session?

Mr. SPARKMAN. I think the acting majority leader is absolutely right, and I intend to discuss that a little later.

Mr. CLEMENTS. Will the Senator yield for another question?

Mr. SPARKMAN. I yield.

Mr. CLEMENTS. Is it not reasonable to suggest that if there is something in the conference report to which Senators may have slight objection, the proper procedure to follow is to adopt the con-

ference report, since there will be ample opportunity next January to make such revisions as a majority of the Members of the two bodies may wish to make?

Mr. SPARKMAN. That is certainly correct.

Mr. CLEMENTS. That being true, it seems to me it would be good judgment and good business upon the part of the Senate to uphold the position taken by the majority of the committee of conference.

Mr. SPARKMAN. I think there can be no argument with the position taken by the distinguished Senator from Kentucky.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I have a few points I should like to make, but I yield to the distinguished minority leader.

Mr. KNOWLAND. I wish to say to the distinguished Senator from Alabama, in reference to the statement made by the acting majority leader, that it seems to me what we are seeking is sound legislation. Mr. recollection is that in every conference report which has come before the Senate during this session, or in most of the cases—I would say in probably 95 percent of the cases—reports have been signed by all the conferees of both Houses. There have been a few minor exceptions in which perhaps one member of the minority or one member of the majority has not seen fit to sign the report. This is the first conference report which has come before this session of Congress which, to the best of my recollection, has not been signed by even one minority member.

Under the circumstances, it seems to me that, in view of the extreme language which has been included in the amendment, we have the clear duty of rejecting the conference report, and returning it for a further conference, with instructions. While they are at the further conference, the conferees can get together on a straight continuing joint resolution, and the passage of that joint resolution can be pressed for.

But under the circumstances, I do not think we should be required to legislate with a gun pressed at our temples.

Mr. SPARKMAN. Mr. President, I should like to say a word.

Of course, I, for one, would never request a Senator to legislate while having a gun pressed at his temple. I do not think any Member of the Senate would make such a request.

It is true that it is unusual that not one minority member signed the conference report. I did not know that until it was about time for the report to come up. As a matter of fact, when the conference broke up, I thought most of the minority members would sign the report. No indication that they would not do so was given.

I think the present situation emphasizes a mistake which was made when the bill came up on the floor of the Senate, and was pointed out by Senators on this side of the aisle, namely, that the minority had made the question a partisan one. It should not have been a partisan one.

Furthermore, Mr. President, the time we are sending on this small item would

indicate that it is the heart of the bill, whereas actually it is the smallest part of the bill.

Let me refer to the subject of the bill: It has to do with the production in the United States of greater supplies of minerals, metals, and scarce materials. So it is a production measure.

Just today, as I recall, we completed action on House bill 6373, which relates to domestic minerals. I noticed that the conferees on that measure were the Senator from Montana [Mr. MURRAY], the Senator from North Carolina [Mr. SCOTT], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. MALONE], and the Senator from Idaho [Mr. DWORSHAK]. But that act is worthless unless the measure now before us is enacted into law. The pending measure makes it possible to put into effect the provisions of that act. That shows how important the pending measure is.

Mr. President, this measure would be capable of producing results even if not a single w. o. c. were connected with the program. Yet all the quarrel is over just one little feature of the bill, namely, the one relating to the extent to which w. o. c.'s, drawn from industry, shall work in the Government service without compensation and, if that is allowed, the extent to which they shall report their holdings, while enjoying immunity from the conflict-of-interest statutes, in time of peace. That is the question involved there.

Let me say very frankly that it was not an easy job in the conference to get what we have here. I say in all earnestness that I believe that if the pending motion is agreed to, and if the conference report is rejected, and recommitment, with instructions to delete this language, there will be no Defense Production Act. Are we going to kill the Defense Production Act simply because of disagreement over one little phase of the bill—and not at all the central part of it?

The central part of the act has to do with things which those who live in the mining areas, where the minerals and metals are produced, are concerned with; it does not relate to anything produced in my State. The bill does not interest me personally, except as it relates to the national security and the effort to make the United States more self-sustaining on the basis of its own resources.

Personally, I should like to see the w. o. c.'s leave the Government service. I would have them used in case of war; and in this measure we provide that in case of all-out mobilization, they shall be used, and shall then enjoy immunity from the conflict-of-interest statutes.

But in time of peace it is not necessary for us to use their services in order to obtain the production we want. After all, what we are attempting to obtain in this case is the enactment of legislation which will make it possible for the United States to obtain the production of the scarce materials, minerals, and metals that we wish to have produced in the United States, and that we need so badly. We need them now. But we would need

best terminology I can think of—so as to deny public bodies and rural electrification associations the opportunity to participate in the benefits of nuclear energy.

The question which seems to be before the Atomic Energy Commission now is this: Is the Atomic Energy Commission empowered, under the act of 1954, to build, pay for, erect, and place in operation a pilot plant for purposes of generating electrical energy?

There is not one scintilla of doubt as to the answer. The Atomic Energy Commission is so empowered. It is specifically empowered by public statute. It is empowered by legislative intent. The only subject that is in doubt today is the will of the Atomic Energy Commission to do so.

I note again for the RECORD the article by Mr. Stokes. He points out that in the private field of electrical energy, the Atomic Energy Commission goes ahead with great research projects, great pilot plant efforts, but when it comes to municipalities and rural electrification establishments, the Atomic Energy Commission seems to be finding many reasons why it cannot do what the law specifically says it can do.

I quote again from Mr. Stokes' column:

Under the law they—

Speaking now of municipalities and public bodies—

are entitled to preference. They didn't get it. Niagara-Mohawk is getting the power at 3 mills a kilowatt-hour. The reactor, which is a model of one installed in the United States submarine *Seawolf*, produces enough power to supply a city of 20,000 people.

The cities and the co-ops would need some way to get the power to them. Rather than build transmission lines to West Milton—

Speaking of a particular city in New York—

they had decided upon the alternative of having it "wheeled" to them over lines of Niagara-Mohawk.

They offered a reasonable fee to the private utility for this service.

The "they" refers to the governing body of West Milton.

But they were turned down—and it's easy to see why, with the company getting the power for itself so cheaply.

In a resolution it drafted, approved, and sent to Chairman Strauss here in Washington, the Cooperative League's board of directors said that, under the law, the AEC itself should have hired Niagara Mohawk to wheel the power to the nonprofit groups which had applied for it under the preference guaranty. The co-ops and the cities then would have been charged for the service when they were billed by the AEC for the power.

The board—

Meaning the cooperative board—
bluntly accused the AEC of violating the law.

I agree with the cooperative board in this instance. The AEC has violated the law. So far as the reading of the law is concerned, I know of no law that is more explicit as to the uses of atomic energy than the one which was written in 1954, as it was amended. I know of no law in which the legislative intent was more clearly spelled out. I know of no

public law which more clearly defined the sense of direction of the pioneering, experimental stages of the Atomic Energy Commission in the field of creation of electrical energy.

But the AEC drags its feet. Its legal counsel placed one stumbling block after another in the way of legitimate projects and programs presented to it by rural electrification cooperatives.

I hope this RECORD may be read by the legal staff of the Atomic Energy Commission, by the Commissioners, and by their experts. I respectfully ask of them, in a spirit of what I believe to be the public good, that this very long and detailed record be scrupulously and meticulously studied. If that is done, they will find in it the intent and the will of Congress for experimentation and for pilot-plant operation.

Congress specifically spelled out that this pilot-plant operation should be with REA's, as well as with private industry.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I simply wish to say that as one who participated throughout that debate last year with the Senator from Minnesota, I wish to associate myself with every comment he has made on this issue.

Mr. HUMPHREY. I thank the Senator.

Mr. President, I ask unanimous consent to have the entire article by Mr. Stokes, to which I referred earlier, printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SALE OF A-POWER BEARS WATCHING—LAW ASSURING NONPROFIT GROUPS OF PRIORITY IS BYPASSED BY AEC

(By Thomas L. Stokes)

About this time a year ago, when Congress was rushing pellmell to adjourn and go home as it is now, a significant battle was fought in the Senate of which we now are having an echo.

A band of Senators resorted finally then to a filibuster against the administration bill for private development of atomic energy until they were able to write into it certain provisions to protect the public and consumer interest. In the case of this new source of energy they were determined to prevent the exploitation that was revealed by Government investigations a quarter of a century ago in the case of electric energy.

Among the protective clauses was a guaranty of preference for nonprofit groups—municipalities and other public agencies as well as rural electric cooperatives—in the sale of atomic energy from publicly owned projects, such as is already required by law in the case of electric power from public hydroelectric projects.

We thought that was all fixed and settled. But not necessarily, evidently.

Now for the echo. For that we take you to the town of West Milton, N. Y. You probably saw photographs in your newspapers of an event there. Chairman Lewis L. Strauss of the Atomic Energy Commission throwing a switch which started the flow of 12,500 kilowatts of electricity from an AEC installation into a private utility system, the Niagara Mohawk Power Corp.

This was an epochal event. For it was the first peacetime use of electrical energy from an atomic installation. To give a human

touch that the usually stern-visaged Chairman Strauss is not sure of providing, there was an added stunt for the news photographers. This was a shot of a housewife at nearby Ballston Spa, a Niagara Mohawk customer, cooking a hamburger on her electric stove with the atomic power.

What was wrong with these pictures was spotted immediately by a group several hundred miles away in Chicago—the board of directors of the Cooperative League which happened to be meeting there. And lucky it is for us that such groups are on guard.

Members of the board are thoroughly familiar with the law passed a year ago by Congress and they know also that two cities which have municipal electric plants, Illion, N. Y., and Holyoke, Mass., as well as the Delaware County Rural Electric Cooperative at Delhi, N. Y., had applied for power from this first AEC reactor months ago, way back in January.

Under the law they are entitled to preference. They didn't get it. Niagara Mohawk is getting the power at 3 mills a kilowatt hour. The reactor, which is a model of one installed in the United States submarine *Seawolf*, produces enough power to supply a city of 20,000 people.

The cities and the co-op would need some way to get the power to them. Rather than build transmission lines to West Milton, they had decided upon the alternative of having it "wheeled" to them over lines of Niagara Mohawk. They offered a reasonable fee to the private utility for this service. But they were turned down—and it's easy to see why, with the company getting the power for itself so cheaply.

In a resolution it drafted, approved, and sent to Chairman Strauss here in Washington, the Cooperative League's board of directors said that, under the law, the AEC itself should have hired Niagara Mohawk to wheel the power to the nonprofit groups which had applied for it under the preference guaranty. The co-ops and the cities then would have been charged for the service when they were billed by the AEC for the power. The board bluntly accused the AEC of violating the law.

What the Cooperative League is chiefly concerned about is the danger of a precedent being established which, it said in its resolution, "far outweighs the economic importance of the electric energy involved."

This might seem to be an exaggerated concern unless you know the eagerness of powerful private utilities to get their hands on this new source of energy, and how great now is their influence here in Washington.

You may recall that the AEC under Chairman Strauss' direction, was the broker in the Dixon-Yates deal involving TVA, which finally exploded in the face of the administration with the contract being canceled, when it was shown to be the first step in a planned campaign to liquidate the great public multipurpose water-resources program.

Because of AEC authority over atomic energy, that Agency will bear constant watching to protect the public interest in private development of this new energy source.

ADDITIONAL MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Additional messages in writing from the President of the United States were communicated to the Senate, by Mr. Tribbe, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 1, 1955:

S. 614. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to donate cer-

tain property to the American National Red Cross; and

S. 824. An act to authorize and direct the Secretary of the Interior to convey certain lands erroneously conveyed to the United States.

ADDITIONAL REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 7746. A bill to provide tax relief to a charitable foundation and the contributors thereto; (Rept. No. 1283).

By Mr. McCARTHY, from the Committee on Government Operations:

H. R. 6857. A bill to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.; without amendment (Rept. No. 1285).

By Mr. CHAVEZ, from the Committee on Public Works:

H. R. 4734. A bill to amend the provisions of the River and Harbor Act of 1954 which authorize the Secretary of the Army to reimburse local interests for work done on a dredging project at Los Angeles and Long Beach Harbors, Calif., during a period ending on July 1, 1953, by extending that period to November 7, 1953; without amendment (Rept. No. 1284).

By Mr. KILGORE, from the Committee on the Judiciary, without amendment:

H. R. 929. A bill for the relief of Mrs. Maria Del Mul (Rept. No. 1286);

H. R. 1235. A bill for the relief of Vera Gregovich Kenter (Rept. No. 1287);

H. R. 1319. A bill for the relief of Vasilios Liakopoulos (Rept. No. 1288);

H. R. 1641. A bill for the relief of Mary Mancuso (Rept. No. 1289);

H. R. 1909. A bill for the relief of Rodolfo Puga de la Cerna (Rept. No. 1290);

H. R. 2079. A bill for the relief of Ingrid Liselotte Poch (Rept. No. 1291);

H. R. 2235. A bill for the relief of Mrs. Margarete Glick Scordas (Rept. No. 1292);

H. R. 2339. A bill for the relief of Monika Scheffbanker (Rept. No. 1293);

H. R. 2704. A bill for the relief of Kazuko Iwata Rausch (Rept. No. 1294);

H. R. 2897. A bill for the relief of Chung Poik Cha and her child, Myra Poik Cha (Rept. No. 1295);

H. R. 2916. A bill for the relief of Mrs. Elfrieda Schoeppe (Rept. No. 1296);

H. R. 3195. A bill for the relief of Rolf Hugo Neuman (Rept. No. 1297);

H. R. 4544. A bill for the relief of Andrew Carrigan (Rept. No. 1298);

H. R. 4643. A bill for the relief of Mrs. Lee Shee Yee (also known as Lee Lai Koon) (Rept. No. 1299);

H. R. 5074. A bill for the relief of Miss Blanca Lina Rionegro (Rept. No. 1300);

H. R. 5082. A bill for the relief of Mrs. Koto Nakagawa (Rept. No. 1301);

H. R. 5908. A bill for the relief of Mrs. Johanna Eckles (Rept. No. 1302);

H. R. 5913. A bill for the relief of Mock Jung Shee (Mock Jung Liu) (Rept. No. 1303); and

H. R. 6741. A bill for the relief of Elfriede Rosa (Kup) Kraft (Rept. No. 1304).

ADDITIONAL BILLS AND JOINT RESOLUTIONS INTRODUCED

Additional bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEHMAN:

S. 2743. A bill for the relief of Demetrios James Tzinis;

S. 2477. A bill for the relief of Harold Manly Stewart; and

S. 2745. A bill for the relief of Ella Hoffmann; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2746. A bill for the relief of Cpl. Tigi M. Tapusoa; to the Committee on the Judiciary.

By Mr. MORSE (for himself, Mr. DOUGLAS, Mr. HUMPHREY, and Mr. NEUBERGER):

S. 2747. A bill to require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their income, the value of their assets, and their dealings in securities and commodities; to the Committee on Rules and Administration.

(See the remarks of Mr. Morse when he introduced the above bill, which appear under a separate heading.)

EXTENSION OF SUGAR ACT OF 1948—AMENDMENT

Mr. LONG submitted an amendment, intended to be proposed by him, to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

PRINTING OF STUDY ON TREATIES BROKEN BY THE U. S. S. R.

Mr. HENNINGS. Mr. President, the Senate Subcommittee on Internal Security of the Committee on the Judiciary, recently had printed, as a committee document, a staff study on treaties broken by the U. S. S. R. The demand for this publication is very great, and the supply soon will be exhausted. Because of the widespread interest in this study, I ask unanimous consent that it may be printed as a Senate document with an extra 25,000 copies for the use of the Judiciary Committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri? The Chair hears none, and it is so ordered.

RESOLUTIONS AND STATEMENTS OF NORTH DAKOTA ASSOCIATION OF RURAL ELECTRIC COOPERATIVES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions and statements adopted by the North Dakota Association of Rural Electric Cooperatives, of Bismarck, N. Dak., relating to rural electric development, and so forth.

There being no objection, the resolutions and statements were ordered to be printed in the RECORD, as follows:

NO. 1. RESOLUTION

Whereas the Congress of the United States has continually since 1935 appropriated loan funds for rural electric development; and Whereas over 90 percent of rural America now has electric service; and

Whereas the predominance of leadership has always faithfully carried this program forward; and

Whereas electric service enables rural families to enjoy the convenience and comfort of modern living; and

Whereas we can now survey 20 years of accomplishment that has realized approximately \$10 billion worth of new facilities to improve quality and quantity of food,

feed, and fiber for all: Now, therefore, be it Resolved, That we express our appreciation to our many supporters in Congress, both past and present, and to the many individuals in all walks of life, through whose loyal efforts and capable leadership it has been possible to bring our rural electric program to the successful position it now enjoys.

NO. 2. THANKS

We commend and thank the mayor of Memphis, the Governor of Tennessee, and their Senator KEFAUVER for their courageous leadership in the fight which terminated the Dixon-Yates contract.

NO. 3. STATEMENT

We heartily commend the Rural Cooperative Power Association, Elk River, Minn., for their farsightedness and aggressive position in requesting permission to develop an atomic-energy powerplant as a cooperative enterprise, and we urge all appropriate governmental agencies involved to grant their request in an expeditious manner.

NO. 4. COMMENDATION

We commend Senators LANGER and YOUNG and Congressman BURDICK for their untiring and continuing service to REA and RTA on all occasions and in all the various ways these programs have been assisted.

We particularly commend Senator LANGER for his valiant fight to expose the scandalous Dixon-Yates contract through his investigations committee.

NO. 5. THANKS AND REGRETS

It is with the deepest regret that we accept the decision of our National Director, Mr. Obed Wyum not to be a candidate to succeed himself, and we take this opportunity to express to him our most heartfelt thanks and appreciation for the continuous and untiring efforts he has expended so willingly in behalf of our whole rural electric and rural telephone program. We recognize that it is in large measure due to his zealous and effective work that both of these programs have attained the status that they have in our State.

NO. 6. A REQUEST

We hereby urge Congress to promptly take the necessary action to provide authorization and funds to permit immediate installation of generating units 4 and 5 at Garrison Dam, and another 80,000 kilowatt generator at Fort Peck Dam.

NO. 7. SUPPORT

We support the fullest possible power development at Hells Canyon, and Big Bend and urge Congress to enact legislation and to pass appropriations to provide Federal development of Hells Canyon and Big Bend projects as soon as possible.

NO. 8. RESOLUTION

Whereas the reports of the Hoover Task Force and Commission have now been filed and made public, and it appears that many, if not all, of the recommendations made in these reports concerning electric power are directly intended to curtail and abolish all phases of public power development, and REA, which intent is clearly apparent in all the following recommendations made by the Hoover Commission, to wit—

That the Rural Electrification Administration be abolished.

That in the interim the Rural Electrification Administration and Rural Telephone Association's interest rates be unduly raised.

That the preference clause be abolished.

That the Federal Power Commission increase power rates.

That revolving funds be abolished.

That the Government or its agencies build no more steam plants or other needed facilities.

That private utilities be offered the opportunity to provide the electric installations at Government multiple-purpose dams, said

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 3, 1955
For actions of August 2, 1955
84th-1st, No. 132

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HIGHLIGHTS: House agreed to conference reports on housing bill and on bill to **allow retirement credit** for certain State service. Both Houses agreed to conference reports on bill to increase retirement annuities and on defense production bill. House passed bill to amend tobacco quotas law. Rep. Staggers criticized administration's farm program. Senate agreed to resolution expressing sense of Senate to have CCC purchase domestic sugar. Part of Senate proceedings will be printed in next issue of Congressional Record.

HOUSE

1. HOUSING. By a vote of 187 to 168, agreed to the conference report on S. 2126, the housing bill, which includes a provision continuing the farm housing loans program authorized for this Department (pp. 11202, 11095-11111). This bill will now be sent to the President.
2. PERSONNEL. Both Houses agreed to the conference report on H. R. 7618, to increase the retirement annuities of former Federal personnel (pp. 11184-5, 11082, 11248). This bill will now be sent to the President.
Agreed to the Conference report on S. 1041, to provide retirement credit for certain service with State governments on projects in cooperation with the Federal Government. The conferees agreed to the House version except that they agreed to a provision making the bill apply to individuals who retired on or after June 30, 1954. (pp. 11095, 11202, 11127-8). This bill will now be sent to the President.
Agreed to the conference report on H. R. 4048, to encourage the States to

enact legislation permitting Federal personnel overseas to vote (pp. 11202, 11128). This bill will now be sent to the President.

The House Clerk inserted a list of committee employees and their pay (pp. 11197-202).

3. APPROPRIATIONS. Both Houses agreed to the conference report on the legislative appropriation bill, H. R. 7117 (pp. 11202, 11172-7, 11263-9, 11081-2, 11263-9). This bill will now be sent to the President.
4. DEFENSE PRODUCTION. Both Houses agreed to the conference report on S. 2391, to amend the Defense Production Act and continue it for 1 year (until July 31, 1956) (pp. 11202, 11178-80, 11222-3). This bill will now be sent to the President.
5. SURPLUS PROPERTY. Passed without amendment H. R. 7855, to extend until June 30, 1956, the period during which disposals of surplus property may be made by negotiation rather than by advertising (p. 11188).
6. TRANSPORTATION. Rep. Harris announced that the Subcommittee on Transportation and Communications will hold hearings on the recommendations of the Advisory Committee on Transport Policy and Organization during the recess, beginning Sept. 19 (pp. 11149-50).
7. FARM INCOME. Rep. Staggers deplored the drop in farm income, alleged inaction of the USDA, and suggested something must be done to help the farmer. (p. 11171).
8. WILDLIFE. Passed without amendment S. 756, to authorize the appropriation of accumulated receipts in the Federal-aid wildlife-restoration fund (pp. 11154-5). This bill will now be sent to the President.
9. SMALL BUSINESS. Passed with amendment S. 2127, to extend the Small Business Administration for 2 years (pp. 11161-9). House conferees were appointed (p. 11169).
10. TOBACCO. Passed without amendment S. 2296, providing that no old farm tobacco acreage allotment would be determined for a farm on which tobacco was produced the preceding year if no tobacco allotment was determined for the farm for such preceding year (pp. 11182-3). This bill will now be sent to the President.
11. ADJOURNED sine die (until Jan. 3, 1956) (p. 11196).

SENATE

12. SUGAR. Sens. Long, Holland, Watkins, Fulbright, and others discussed the propriety of consideration of H. R. 7030, the sugar bill, in the closing hours of the present session. Sen. Fulbright suggested that, because the bill was a form of subsidy to the sugar beet industry, it would require greater consideration (pp. 11207-22). Sen. Long introduced S. Res. 147, expressing the sense of the Senate that the CCC should purchase domestic sugar under sec. 19 of H. R. 7030, in order to alleviate the alleged dire situation of the sugar beet and sugar cane producers; the resolution was agreed to by the Senate (pp. 11256, 11258).
13. LEGISLATIVE RECORD. Sen. Knowland requested and received permission to have printed the views of the Minority Leader regarding the legislative program of the 84th Congress (S. Doc. 86) (p. 11223).

84TH CONGRESS
1ST SESSION

S. RES. 147

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 1955

Mr. LONG (for himself, Mr. ELLENDER, Mr. HOLLAND, Mr. SMATHERS, and Mr. DWORSHAK) submitted the following resolution; which was considered and agreed to

RESOLUTION

Whereas H. R. 7030, entitled "An Act to amend and extend the Sugar Act of 1948, as amended, and for other purposes", now pending in the Senate, contains provisions added by section 19 thereof, directing the Commodity Credit Corporation to carry out loans, purchases, or other operations with respect to one hundred thousand short tons of sugar produced from the 1955 or previous crops in the continental United States sugar-producing areas, in order to alleviate the conditions which exist in such areas by reason of the quantities of surplus over quota sugar produced therein; and

Whereas it appears that H. R. 7030 may not be enacted during the current session of the Congress: Therefore be it

- 1 *Resolved*, That it is the sense of the Senate that the
- 2 Commodity Credit corporation should take the action re-

1 SEC. 2. Section 101 (e) of such Act is amended to read
2 as follows:

3 “(e) The term ‘direct-consumption sugar’ means any
4 sugars principally of crystalline structure and any liquid
5 sugar (exclusive of liquid sugar from foreign countries
6 having liquid sugar quotas), which are not to be further
7 refined or improved in quality.”

8 SEC. 3. Section 101 (i) of such Act is amended by
9 deleting the parenthetical word “(Clerget)”.

10 SEC. 4. Section 101 of such Act is amended by adding
11 at the end thereof a new paragraph to read as follows:

12 “(n) The term ‘to be further refined or improved in
13 quality’ means to be subjected substantially to the processes
14 of (1) affination or defecation, (2) clarification, and (3)
15 further purification by adsorption or crystallization. The
16 Secretary is authorized, in accordance with findings based on
17 public hearings to determine whether specific processes to
18 which sugars are subjected are sufficient to meet the require-
19 ments of this paragraph (n) and whether sugars of specific
20 qualities are raw sugar within the meaning of paragraph
21 (d) of this section, or direct-consumption sugar within the
22 meaning of paragraph (e) of this section.”

23 SEC. 5. Section 201 of such Act is amended by striking
24 in the second sentence thereof the words “1947 prior to the

1 termination of price control of sugar” and inserting in lieu
2 thereof “1947–1949”.

3 SEC. 6. Section 202 (a) of such Act is amended by
4 inserting a colon and “(1) For the calendar year 1956” in
5 lieu of the first comma and by adding the following new
6 paragraphs:

7 “(2) For the calendar year 1956, by apportioning
8 among such areas 50 per centum of the amount by which
9 the determination made pursuant to section 201 exceeds
10 eight million three hundred and fifty thousand short tons,
11 raw value, as follows:

12 “(A) The first one hundred and eighty-eight thousand
13 short tons, raw value, or any part thereof, by which quotas
14 for the domestic areas are so increased shall be apportioned
15 45.2 per centum to the domestic beet area; 42.6 per centum
16 to the mainland cane area; 10.6 per centum to Puerto Rico;
17 and 1.6 per centum to the Virgin Islands; and

18 “(B) Any additional amount shall be apportioned on
19 the basis established in paragraph (a) (1) as adjusted by
20 subparagraph (A) of this paragraph (a) (2).

21 “(3) For the calendar year 1957 and each subsequent
22 calendar year, by apportioning among such areas four mil-
23 lion four hundred and forty-four thousand short tons, raw
24 value, in accordance with paragraph (a) (1) of this section,

1 and by adding thereto 50 per centum of the amount by which
2 the determination made pursuant to section 201 exceeds
3 eight million three hundred and fifty thousand short tons,
4 raw value, apportioned as follows: First, by apportioning
5 in accordance with the provisions of paragraph (a) (2) of
6 this section an amount not in excess of the amount so appor-
7 tioned in 1956, and second, by apportioning the remainder,
8 if any, in accordance with the final quotas established for
9 the calendar year 1956, pursuant to paragraphs (a) (1)
10 and (a) (2) of this section.”

11 SEC. 7. Section 202 (c) of such Act is amended by strik-
12 ing out “For” after “(c)” and inserting in lieu thereof “(1)
13 For the calendar year 1956, for” and by adding at the end
14 thereof the following new paragraphs:

15 “(2) For the calendar year 1957 and for each sub-
16 sequent calendar year for foreign countries other than the
17 Republic of the Philippines, by prorating to Cuba 96 per
18 centum and to such other foreign countries 4 per centum
19 of the amount of sugar, raw value, by which eight million
20 three hundred and fifty thousand short tons or such lesser
21 amount as determined pursuant to section 201 exceeds the
22 sum of four million four hundred and forty-four thousand
23 short tons, raw value, and the quota established pursuant
24 to subsection (b) of this section; and by prorating to Cuba
25 50 per centum and to foreign countries other than Cuba

1 and the Republic of the Philippines 50 per centum of the
2 amount of sugar, raw value, by which the amount deter-
3 mined pursuant to section 201 exceeds the sum of eight
4 million three hundred and fifty thousand short tons plus the
5 increase in quotas provided for in subsection (a) (3) of
6 this section: *Provided*, (i) that for 1957 the quota for for-
7 eign countries other than Cuba and the Republic of the
8 Philippines shall be one hundred and seventy-five thousand
9 short tons, raw value, and the quota for Cuba shall equal
10 the sum of the quotas for foreign countries other than the
11 Republic of the Philippines less one hundred and seventy-
12 five thousand short tons, raw value; and (ii) that for the
13 calendar year 1958 and each subsequent calendar year
14 through 1960 the quota for foreign countries other than Cuba
15 and the Republic of the Philippines shall be increased forty-
16 five thousand short tons, raw value, annually and the quota
17 for Cuba shall equal the sum of the quotas for foreign coun-
18 tries other than the Republic of the Philippines for such year
19 less the quota for foreign countries other than Cuba and
20 the Republic of the Philippines for such year. The quota
21 for foreign countries other than Cuba and the Republic of
22 the Philippines shall be prorated for the calendar year 1957
23 and for each subsequent calendar year as follows:

24 “(A) Each country whose average annual importations

1 into the United States within the quota were less than one
2 thousand short tons, raw value, during the years 1953 and
3 1954 shall receive a proration equal to such average
4 importations.

5 “(B) Each country whose average annual importations
6 into the United States within the quota were more than one
7 thousand short tons but less than three thousand short tons,
8 raw value, during the years 1953 and 1954 shall receive each
9 year two thousand tons in addition to the basic tonnages pro-
10 rated under subparagraphs (C) or (D) hereof.

11 “(C) Each country whose average annual importations
12 into the United States within the quota were one thousand
13 short tons but less than two thousand short tons, raw value,
14 during the years 1953 and 1954 shall receive a proration
15 for 1957 equal to its average importations for the calendar
16 years 1953 and 1954 plus 30 per centum thereof and for
17 each calendar year subsequent to 1957 through 1960 the pro-
18 ration for each such country shall be increased by an addi-
19 tional 30 per centum of its proration under this subpara-
20 graph (C) for the immediately preceding calendar year.

21 “(D) That part of the quota not otherwise prorated in

1 subparagraphs (A), (B), and (C) above shall be prorated
 2 as follows:

"Country	Per centum
Dominican Republic-----	37
Peru-----	36
Mexico-----	20
Nicaragua-----	5
Haiti-----	2".

3 SEC. 8. Section 202 of such Act is amended by adding
 4 the following new paragraph:

5 “(e) Whenever in any year any foreign country with
 6 a quota or proration thereof of more than ten thousand short
 7 tons fails to fill such quota or proration by more than 10
 8 per centum and at any time during such year the world
 9 price of sugar exceeds the domestic price, the quota or pro-
 10 ration thereof for such country for subsequent years shall be
 11 reduced by an amount equal to the amount by which such
 12 country failed to fill its quota or proration thereof, unless
 13 the Secretary finds that such failure was due to crop disaster
 14 or force majeure or finds that such reduction would be con-
 15 trary to the objectives of this Act. Any reduction hereunder
 16 shall be prorated in the same manner as deficits are prorated
 17 under section 204.”

18 SEC. 9. (a) The second sentence of section 204 (a)

1 of such Act is amended by inserting before the period at the
2 end thereof a colon and the following: “*Provided*, That any
3 deficit in any domestic sugar-producing area occurring by
4 reason of inability to market that part of the quota for such
5 area allotted under the provisions of section 202 (a) (2) or
6 the increases allotted under sections 202 (a) (3) shall first be
7 prorated to other domestic areas on the basis of the quotas
8 then in effect”.

9 (b) The last paragraph of section 204 (a) of such Act
10 is amended by inserting before the period at the end thereof
11 a semicolon and the following: “except that in the case of
12 proration of any such deficit in any domestic sugar-producing
13 area occurring by reason of inability to market that part of
14 the quota for such area allotted under and by reason of
15 section 202 (a) (2) or the increases allotted under section
16 202 (a) (3), the Secretary shall apportion the unfilled
17 amount on such basis and to such other domestic areas as he
18 determines is required to fill such deficit, and if he finds that
19 no domestic area will be able to supply such unfilled amount,
20 he shall add it to the quota for Cuba”.

21 SEC. 10. Section 205 (a) of such Act is amended by
22 inserting immediately before the final sentence thereof the
23 following: “In making such allotments, the Secretary may
24 also take into consideration and make due allowance for the
25 adverse effect of drought, storm, flood, freeze, disease, in-

1 sects, or other similar abnormal and uncontrollable conditions
2 seriously and broadly affecting any general area served by
3 the factory or factories of such person.”.

4 SEC. 11. (a) Section 207 (a) of such Act is amended
5 by adding after the word “year” the following: “, plus an
6 amount equal to the same percentage of twenty-nine thousand
7 six hundred and sixteen short tons, raw value, that the in-
8 crease in the quota for Hawaii under section 202 is of one
9 million fifty-two thousand short tons, raw value”.

10 (b) Section 207 (b) of such Act is amended by striking
11 the period at the end thereof and by adding the following:
12 “which shall be principally of crystalline structure, plus an
13 amount equal to the same percentage of one hundred twenty-
14 six thousand and thirty-three short tons, raw value, that
15 the increase in the quota for Puerto Rico under section 202
16 is of one million eighty thousand short tons, raw value, which
17 latter amount may be filled by direct-consumption sugar
18 whether or not principally of crystalline structure.”.

19 SEC. 12. Section 207 (h) of such Act is amended by
20 striking out “The” after “(h)” and inserting in lieu thereof
21 “(1) For the calendar year 1956, the” and by adding the
22 following new paragraph:

23 “(2) For the calendar year 1957 and each subsequent
24 calendar year, the quota for foreign countries other than

1 Cuba and the Republic of the Philippines may be filled by
2 direct-consumption sugar to the extent of 1.36 per centum of
3 the amount of sugar determined pursuant to section 201 less
4 the sum of the quotas established in subsections (a) and (b)
5 of section 202: *Provided*, That such limitation shall not apply
6 to countries receiving prorations under section 202 (c) of
7 seven thousand short tons or less. The direct-consumption
8 portion of such quota which is subject to the 1.36 per
9 centum limitation referred to above shall be prorated to
10 countries which receive prorations under section 202 (c)
11 of more than seven thousand short tons on the basis of aver-
12 age imports of direct-consumption sugar within the quota for
13 the years 1951, 1952, 1953, and 1954.”

14 SEC. 13. Section 301 (b) of such Act is amended by
15 inserting after the words “(or processed)” the following:
16 “, except for livestock feed, or for the production of livestock
17 feed, as determined by the Secretary,”.

18 SEC. 14. Section 302 (b) of such Act is amended by
19 inserting after “(or processed)” the words “within the pro-
20 portionate share” and by striking the period at the end thereof
21 and inserting the following: “and of the producers in any
22 local producing area whose past production has been ad-
23 versely, seriously, and generally affected by drought, storm,
24 flood, freeze, disease, insects, or other similar abnormal and
25 uncontrollable conditions. For the purposes of establishing

1 proportionate shares hereunder and in order to encourage
2 wise use of land resources, foster greater diversification of
3 agricultural production, and promote the conservation of
4 soil and water resources in Puerto Rico, the Secretary, on
5 application of any owner of a farm in Puerto Rico, is hereby
6 authorized, whenever he determines it to be in the public
7 interest and to facilitate the sale or rental of land for other
8 productive purposes, to transfer the sugarcane production
9 record for any parcel or parcels of land in Puerto Rico
10 owned by the applicant to any other parcel or parcels of land
11 owned by such applicant in Puerto Rico.”.

12 SEC. 15. Section 405 of such Act is amended by in-
13 serting “(a)” at the beginning thereof and by adding the
14 following new paragraph:

15 “(b) Any person whose sugar processing operations
16 otherwise meet the requirements of section 101 (n) and who
17 subjects to such processes sugar imported or brought into the
18 continental United States under a declaration that it is
19 raw sugar but which sugar subsequently is determined to
20 be of direct-consumption quality and to be in excess of the
21 direct-consumption portion of the applicable quota or pro-
22 ration or allotment thereof, shall forfeit to the United States
23 a sum equal to 1 cent per pound for each pound, raw value,
24 of such sugar in excess of the direct-consumption portion of
25 the applicable quota or proration or allotment thereof, which

1 forfeiture shall be recoverable in a civil suit brought in the
2 name of the United States.”

3 SEC. 16. Section 407 of such Act is amended by adding
4 at the end thereof the following sentence: “The provisions
5 of this section shall not apply to persons whose services are
6 obtained pursuant to section 305.”.

7 SEC. 17. Section 411 of such Act is renumbered as
8 section 412, section 412 of such Act is renumbered as sec-
9 tion 413 and a new section 411 inserted as follows:

10 “SEC. 411. The Secretary is authorized to issue such
11 regulations as may be necessary to carry out article 7 of
12 the International Sugar Agreement for the Regulation of
13 the Production and Marketing of Sugar (ratified by and
14 with the advice and consent of the United States Senate on
15 April 29, 1954), restricting importations of sugar into the
16 United States from foreign countries not participating in
17 such agreement, or to carry out the corresponding provisions
18 of any such future agreements ratified by and with the
19 advice and consent of the United States Senate.”

20 SEC. 18. Renumbered section 412 of such Act (relating
21 to termination of the powers of the Secretary under the Act)
22 is amended by striking out “1956” in each place it appears
23 therein and inserting in lieu thereof “1960”.

24 SEC. 19. A new section 414 is added to such Act as
25 follows:

1 “SEC. 414. (a) To alleviate the conditions which exist
2 in the continental United States sugar-producing areas by
3 reason of the quantities of surplus overquota sugar produced
4 in such areas, the Commodity Credit Corporation shall carry
5 out loans, purchases, or other operations with respect to
6 one hundred thousand short tons of sugar produced from the
7 1955 or previous crops in such areas.

8 “(b) Sugar acquired hereunder shall be disposed of out-
9 side the continental United States in such manner as the Cor-
10 poration determines will not unduly interfere with normal
11 marketings of sugar, including dispositions under the Agri-
12 cultural Trade Development and Assistance Act of 1954,
13 as amended.

14 “(c) No borrower shall be personally liable for any
15 deficiency arising from the sale of the sugar securing any
16 loan made under authority of this section, unless such loan
17 was obtained through fraudulent representations by the bor-
18 rower. This provision shall not, however, be construed to
19 prevent Commodity Credit Corporation from requiring the
20 borrower to assume liability for deficiencies in the quality
21 or quantity of sugar delivered under the loan, for failure
22 to properly care for and preserve such sugar, or for failure
23 or refusal to deliver the sugar in accordance with the require-
24 ments of the program.

1 “(d) Sugar acquired hereunder shall not be subject to
2 the provisions of title II of this Act.”

3 SEC. 20. Sections 4501 (c) and 6412 (d) (relating to
4 the termination of taxes on sugar) of the Internal Revenue
5 Code of 1954 are amended by striking out “1957” in each
6 place it appears therein and inserting in lieu thereof “1961”.

7 SEC. 21. Section 4502 (4), chapter 4, subchapter A,
8 “Sugar”, of the Internal Revenue Code of 1954 is amended
9 as follows: Strike out the parenthetical word “(Clerget)”
10 where it occurs in the first sentence and delete the second
11 sentence thereof.

12 SEC. 22. (a) Section 4504, chapter 37, subchapter A,
13 “Sugar”, of the Internal Revenue Code of 1954 is amended
14 by adding before the period at the end thereof the following:
15 “and except that such tax may be subject to refunds as a tax
16 under the provisions of section 6418 (a)”.

17 (b) Section 6418 (a) of chapter 65 of the Internal Rev-
18 enue Code of 1954 is amended by striking out the “(a)”
19 immediately following “section 4501”.

20 SEC. 23. The amendments made hereby shall become
21 effective January 1, 1956, except as otherwise designated and

- 1 except that required determinations and regulations may be
- 2 issued in 1955 for the calendar year 1956.

Passed the House of Representatives July 30, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

84TH CONGRESS
1ST SESSION

H. R. 7030

AN ACT

To amend and extend the Sugar Act of 1948, as amended, and for other purposes.

AUGUST 2, 1955

Read twice and referred to the Committee on Finance

advice from some source. They will have to arrive at some kind of formula for handling future cases of this kind, if they should arise.

Mr. President, these cases have been considered on their merits and have been approved. These two bills should not be swept aside in the dying minutes of this session of Congress. They will have to run the gauntlet of scrutiny in the House of Representatives. The action of the Senate in rejecting the motion to reconsider will merely send them on their way.

Mr. NEELY. If there is a yea-and-nay vote on the motion, a nay vote will be to resurrect these two bills from the parliamentary tomb in which the motion to reconsider temporarily buried them. I am authorized to say that the distinguished Senator from Wyoming [Mr. O'MAHONEY], who made the motion to reconsider will vote "nay," or, in other words, for the nullification of the motion he previously made.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Has a yea-and-nay vote been ordered on this question?

The PRESIDING OFFICER. A yea-and-nay vote has not been ordered on the question. The question is on agreeing to the motion to reconsider. [Putting the question.]

The Chair is in doubt, and will request a division.

On a division, the motion was rejected.

Mr. NEELY. Mr. President, I move to reconsider the action of the Senate.

The PRESIDING OFFICER. The Chair is advised that that motion is not in order.

EXTENSION OF THE SUGAR ACT

Mr. LONG. Mr. President, I move to suspend paragraph 3 of rule XIV and paragraph (h) of paragraph 1 of rule XXV of the standing rules of the Senate, to the end that it may be in order to move that the Senate proceed to the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, without a reference of the bill to the Senate Committee on Finance.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Is a two-thirds vote necessary for the adoption of the motion of the Senator from Louisiana?

The PRESIDING OFFICER. The Senator from Illinois is correct.

Mr. DOUGLAS. Would the Chair state whether there is any precedent for the motion of the Senator from Louisiana?

The PRESIDING OFFICER. The Chair has no knowledge of any such precedent.

Mr. DOUGLAS. In view of the fact that, according to the knowledge of the Chair, and presumably of the Parliamentarian, there is no precedent for the

proposed action, it seems to be an extraordinary motion which the Senator from Louisiana has made.

The PRESIDING OFFICER. The knowledge of the Chair is, of course, the knowledge of the Parliamentarian. The Chair is advised that this particular motion is in order even though such a motion has not been previously made.

Mr. DOUGLAS. A further parliamentary inquiry. Is the motion debatable?

The PRESIDING OFFICER. The Chair is advised that the motion at this point is untimely because the bill has not been read the second time. The Chair will lay the bill before the Senate and have it read the second time.

The Presiding Officer laid before the Senate the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, which was read the second time.

Mr. LONG. Mr. President, I renew my motion to suspend the rules.

Mr. FULBRIGHT rose.

The PRESIDING OFFICER. Does the Senator from Arkansas wish to be recognized?

Mr. FULBRIGHT. I do. First I should like to propound a parliamentary inquiry. Is the motion debatable?

The PRESIDING OFFICER. The motion is debatable.

Mr. FULBRIGHT. Is there any limitation on the debate? Is the Senate still in the morning hour?

The PRESIDING OFFICER. Technically, the Senate is still in the morning hour.

Mr. CLEMENTS. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I shall be happy to yield, provided I do not lose the floor.

Mr. CLEMENTS. I should like to make a statement.

Mr. FULBRIGHT. I would welcome a statement from the distinguished acting majority leader.

Mr. CLEMENTS. Mr. President, it goes without saying that I have the highest regard for my friend from Louisiana, and I have, I believe, an understanding feeling for the sugar growers. As a matter of fact, I am one of the sponsors of the legislation on which the Senator from Louisiana, by motion to suspend the rules, wishes to get immediate action in the Senate.

I dislike to take the position that I take now, based upon the great warmth of my friendship for the Senator from Louisiana, as well as on the fact that I am a sponsor of the legislation. However, in my judgment, if we are to have orderly procedure, it must be on the basis of the rules of the Senate. If we take the action proposed by the Senator from Louisiana, the complete programing control on the floor of the Senate will be taken from the traditional seat or seats where it has reposed. All I ask is that when the time for decision comes the Senate may be permitted to pursue its activities in an orderly way.

I would not go so far as to ask the Senator from Louisiana not to press his motion because I thoroughly understand his position. I also feel that he understands the position of the acting majority leader. I can assure my friend from

Louisiana that in the orderly conduct of the business of the Senate, if I am in a position to program the legislation, I shall bring up in proper time sugar legislation. If we were yet to be in session a longer time, there would be no disposition on my part not to bring it up.

However, if this session is to end today—and there is ample reason to believe that it may end today—the adoption of the Senator's motion would preclude the possibility of that happening.

I can assure the Senator from Louisiana that, although I shall not be at this desk in January—because in January we will have our distinguished friend from Texas back at this desk—I shall give my full cooperation to the passage of this legislation, of which I too am a sponsor.

Mr. LONG. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I shall be glad to yield, provided I do not lose the floor.

Mr. LONG. I ask unanimous consent that the Senator from Arkansas may yield to me, with the understanding that he will not lose the floor.

The PRESIDING OFFICER. Without objection, the Senator from Louisiana may proceed.

Mr. LONG. I should like to explain the reason why I made the motion. Our domestic sugar producers are in a very difficult situation at this moment. During the last year it was necessary to impose acreage limitations of 18 percent on growers in the cane sugar-producing areas and a similar limitation on growers in the beet sugar-producing areas.

In many respects weather was very favorable, and even with that severe acreage limitation, more sugar was produced than could be marketed, because the Sugar Act provides not only for an acreage limitation in times of overproduction, but also provides a very severe limitation on the amount of sugar that can be sold.

The good Lord did something for the sugar producers that we did not anticipate. He gave them good weather. Therefore they have on hand 220,000 tons of sugar. However, they have not been able even to sell it for detergents, and have not even been able to give it away, so far as domestic use is concerned, although there is some prospect that some quantity of sugar might be disposed of in the foreign-aid program somewhere.

The domestic industry must carry this enormous surplus.

Plus that fact, the situation is such that the existence of this huge surplus will require further acreage limitations next year.

That means that the cutback in acreage could be as much as 30 percent if full account should be taken of stocks on top of the cutback of 18 percent of last year. Cumulatively, that would mean a cutback in acreage of 48 percent.

It is all very well to say that the sugar producer is getting 90 percent of parity. However, when we consider the fact that, although he is getting 90 percent of parity, his volume of production has been cut by almost 50 percent, it is clear that he is receiving a reduced income of less than half of what he needs.

This situation can be worked out without any injury to anyone. It can be worked out with the support of the entire sugar industry and with a fairly reasonable understanding among our friends abroad, if we are able to obtain some adjustment in the Sugar Act so that the American sugar producers can share in the expansion of the market.

In other words, if they can share in the increased market for sugar as our domestic increase in consumption.

Looking to the past, the Congress has for a number of years allowed our friends abroad to have the benefit of all the increase in the consumption of sugar in the United States.

As our population has increased we have steadily consumed more sugar in this country. For the most part, it might be said that the benefit has gone almost exclusively to our friends in Cuba. They have shipped us more sugar and we have cut back our acreage more and more.

In the area which I represent there is a prospect of our having a reduction of sugarcane acreage by a cumulative total of 50 percent. A similar situation, although perhaps not so drastic, exists in some beet-sugar-producing areas. I know the State of Florida has a similar problem. I know this surplus will not be subject to marketing next year.

The Sugar Act of 1943 is not a bad act; it is a good act, but, like all legislation regulating an industry, from time to time it requires some adjustment. I think the last Sugar Act was passed in 1951, and some adjustment is now necessary for the benefit of our own people. We have carefully studied this matter to try to take care of our friends abroad, and I believe we do so through this legislation. I would point out that unless this bill is passed some sugar producers will not be able to market the surplus of sugar which they already have on hand, even during next year.

In Florida, for example, a large sugar company will be forced to carry over its entire 1955 production. Just imagine that. It will not be able to market 1 pound of that sugar produced this year, because it will be required to carry over sugar from last year, and it will not be in position to market even all of that.

Mr. President, the sugar industry is a good American industry. It is one which has considered the needs of our friends abroad. Offhand, I know of no other major industry in America that gives to our allies as much as 45 percent of our domestic market.

Not only do we give our friends, the Cubans, 45 percent of our market, but we let them sell sugar to us at 50 percent above the world market price. We now find our own people in a very distressed situation where action by Congress is needed to assist our people. That is the reason why I felt compelled to offer a motion to suspend the rule. I realize there is objection to this legislation, and I realize the point of view of some people in other areas.

I realize that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Illinois [Mr. DOUGLAS] object to the sugar legislation upon the books, and

they object to moving very expeditiously to consider this legislation. But let us look at the situation for just a moment.

We introduced the bill with 49 sponsors. The bill was introduced several months ago, almost at the beginning of this year. It had been studied in the executive departments and by those who have been concerned with this subject for more than a year before that time. However, the House of Representatives waited for almost the entire session before they finally reported the bill to the floor.

The House leadership finally took the legislation up and passed it. It was only 2 days ago that the bill reached the Senate. The Senator from Arkansas objected to the bill being referred to a committee. That delayed it 1 day. Then I proceeded to ask—

Mr. FULBRIGHT. Mr. President, I objected to the second reading of the bill.

May I inquire how long the Senator wishes to speak?

Mr. LONG. About 2 more minutes.

The Senator from Arkansas objected to the second reading of the bill, which made it impossible to get the House bill before the Senate committee. There is a report of the Senate Committee on Finance recommending passage of a similar bill on my desk. The Senator from Illinois objected to the Senate receiving last night.

So, Mr. President, the only way the bill could be considered by the Senate was to move to suspend the rule.

I can recognize the facts of life. If the majority leadership is going to oppose the bill coming before the Senate, if the acting majority leader has the cooperation of the minority leader, and if the Members on both sides of the aisle take that attitude as a procedural matter, the bill will not be brought before the Senate under a suspension of the rules, and then, I suppose, the hardship in the industry will have to continue to exist. But I would hope that both the majority and the minority leadership will be willing to permit the Senate to consider this legislation during this session.

Mr. HOLLAND. Mr. President, will the Senator from Arkansas yield for a brief statement?

Mr. FULBRIGHT. I wish to make a brief statement myself, and then I shall yield the floor.

I do not wish to leave the impression that we are trying to prevent a vote on this bill in the regular course. It is not my fault that it has been brought up on the very last day of the session.

As the Senator from Louisiana well knows, I have previously objected to this bill. I tried to defeat a similar bill in 1951 and, I think, in 1948. The existing legislation does not expire until December 1956, and there is no real occasion for extending it an additional 6 years at this time. I object to the fact that there are no printed hearings in either the House or Senate. The Senate held hearings on the bill for about an hour and a half and permitted only the sponsors of the bill to appear. No one who was critical of the bill was permitted to

appear. I am informed that the hearing was held in executive session.

Mr. LONG. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. I may say the Senator realizes that witnesses testifying against provisions in the bill, particularly representing the administration's point of view, appeared, and there were statements from Mr. Chapman, who represented some of the full-duty countries, and that matter was before the committee at that time.

Mr. FULBRIGHT. I have a letter in my hand which was handed to me today, from the American Bankers' Association, dated August 2, in which there is enclosed a copy of a statement on behalf of the industrial sugar users. It states that they were not permitted to testify before the Senate Finance Committee. The letter says:

Unfortunately, only Government witnesses and domestic producers' representatives were heard.

If you plan to make any comments on the sugar legislation today, we feel sure you will be interested in the enclosed remarks.

Mr. BENNETT. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. BENNETT. The gentleman who wrote that letter is completely in error. Only Government witnesses were heard. There were no producers' witnesses. The witnesses were the Senator from Louisiana [ELLENDER], Assistant Secretary Holland of the State Department, and Under Secretary Morse of the Department of Agriculture.

Mr. FULBRIGHT. I am sure the senior Senator from Louisiana was one of the best representatives the producers could get, and there is on one for whose opinion I have a higher regard.

Louisiana is the only State which has an economic sugar industry. The industry in other States has grown up under the "umbrella" started by the old Smoot-Hawley Tariff Act and has continued to expand its acreage because those engaged in it are being paid some \$68 million a year out of the public Treasury.

If this can be done for sugar, why can it not be done for rice, cotton, or tobacco? I suppose the only reason is that the distinguished Secretary of Agriculture does not consider it is the same kind of subsidy as are other kinds of subsidies.

He made a statement last year—

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. In a moment, when I complete my statement.

The Secretary of Agriculture, when he first entered upon his office, or shortly thereafter, made a statement at St. Paul, Minn., that he was against price subsidies because they tended to undermine the morale of farmers. He thought farmers ought to be more self-reliant. But I have not heard him in opposition to the sugar bill. I suppose it is purely incidental that sugar is one of the main crops of Utah, which would receive more than \$1 million a year under the subsidies provided in this bill.

This is the type of proposal which needs public hearings. Also, this is not the first year the Committee on Finance has refused to hold hearings. The last time the bill was brought before the body, there were similar objections, and no hearings were held. The matter was brought up so far in advance of the expiration date that none of the opponents were considering it and it was largely by happenstance that I heard about it. Now once again, the matter has come up on the last day of the session.

Even the Parliamentarian, long as he has been in the Senate, has never heard of a case similar to this. There are very few things that happen in the Senate about which the Parliamentarian does not know. We can be pretty certain that never before in the history of the Senate has a controversial bill been brought up on the last day of the session upon a motion to suspend the rules.

The bill involves more than a billion dollars in cash from the public Treasury. Under the sugar program there has been paid to the producers more than a billion dollars since 1933. The latest figure I have is \$1,099,000,000. Yet it is not considered important enough to have hearings on the bill. Anyone who objects to the bill has not been permitted to appear before the committee.

I have an interest in the matter in this sense: My State produces rice. Arkansas is the third largest rice-producing State in the Union. Our natural market is Cuba and the other Caribbean countries. In the past 5 years our exports of rice to Cuba have decreased from about 6 million hundredweight to 4,500,000 hundredweight, a drop of almost 2 million hundredweight. Of course, the rice is piling up.

Furthermore, Arkansas was cut almost 25 percent in rice acreage this year, and next year it probably will be cut another 15 percent. The rice growers of Arkansas were not started in business under the protection of a bill such as this, with an import duty, an excise tax, and strong quotas which can force up the price, because the Secretary can limit the supply for that purpose, and he has done so.

Of course, we pay much more for sugar than the world market price because we are forced to under the bill.

It is true that taxes on processors are used to pay the subsidies to the producers, and the claim is therefore made that the program does not cost anything. But that is about as logical as saying that the veterans program does not cost the country anything because veterans pay income taxes. It is the same kind of argument. Of course the consumer pays this tax, as he pays all sales taxes. The bill provides a sales tax for the benefit of the sugar producers.

I think representatives of rice growers have a legitimate complaint. Rice is one of the most important crops in several States of the Union. It is not protected in any special way, as sugar is. I see no excuse, in this case, to build up an artificial, uneconomic body, the sugar industry, and thereby to destroy the rice industry. I cite the rice industry only as an example, although it is the main reason why I am here.

There were no hearings printed in the House. I am told hearings were held, but they were not printed so the Congress and the public might read them. I do not know why.

In the opening remarks in the House on H. R. 7030, Chairman COOLEY, of the House Committee on Agriculture, said:

Our committee is about to present to this House one of the most complicated pieces of legislation that the House has ever been called upon to consider.

He stated that the committee hearings had not been printed, and that he did not believe the House would be interested in the details of the proposed legislation. He said:

I will admit this House will really be confused if they try to know all that is in this bill. It is something you are almost forced to accept upon faith.

That is the extent of the consideration which the bill had in the House. The chairman made the statement that it was too complicated for the Members to understand, so they would have to accept it on faith.

The bill has come to the Senate, where no hearings were held at all. The hearing which was held yesterday in the Finance Committee for an hour and a half cannot be considered a hearing; it was merely for the purpose of letting supporters of the bill state why they favored it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. The Senator knows that hearings could not be held on the bill because we did not actually have it before the committee. How can hearings be held on a bill which has not been brought before the committee?

Mr. FULBRIGHT. It could have been brought up at least a month ago. The Senator stated that it was introduced several months ago. Why was it necessary to wait until the last day to bring it up?

Mr. LONG. Because the bill did not come from the House until yesterday.

Mr. FULBRIGHT. Why did the House not act on it until 2 days ago?

Mr. LONG. I cannot speak for the chairman of the House Committee on Agriculture. I suppose he had as much to do with it as did anyone else. He does not come from an area which produces sugar. That sometimes has something to do with the urgency with which a committee chairman will proceed with the consideration of proposed legislation. The House held hearings consisting of 1,300 pages.

Mr. FULBRIGHT. Why did they not print them?

Mr. LONG. I assume there has been a delay because the bill was considered during the last part of the session. The legislative jam delayed the printing, I suppose, but, as I understand, the order was given to have the hearings printed. Of course, I can take no responsibility for the fact that the hearings in the House were not printed.

But it is the duty of the Senate to legislate with regard to the needs of the American people.

Mr. FULBRIGHT. I do not think the Senate should legislate, completely in the dark, on a bill which involves a minimum of \$68 million in subsidies, without hearings, and with nothing at all to guide the Senate except, as Mr. COOLEY says, faith.

Mr. LONG. I should like the Senator from Arkansas to know that I am not anxious to go home. I would be willing to stay here for 2 or 3 months, if necessary. But the prevailing view at the moment happens to be that Congress should go home, so it seems to me that we should consider the sugar question for a few minutes. There is no objection to the bill on the part of the domestic producers or of any important segment of the sugar industry.

Mr. FULBRIGHT. Why should there be? There is nobody who is getting the protection which the sugar industry is getting. They ought to love it.

What is being done in the bill is to lower, relatively, the share of the market which Cuba and other countries have, which countries are the natural markets for rice and other American products. Rice is not the only product which would be affected by this legislation. Cuba is the sixth largest consumer customer of the United States for many things, such as lard, industrial machinery, and so on. I have a list of exports to Cuba which I shall place in the RECORD.

Mr. LONG. It certainly helps Cuba to be a good customer when we pay her 50 percent above the world market price for the sugar we buy from Cuba. But with regard to rice, certainly the Senator knows that Cuba has increased her rice production perhaps four- or five-fold. With Cuba producing all that rice, she is not going to buy as much rice from the State which the Senator from Arkansas represents.

Mr. FULBRIGHT. That is because the Senator would exclude Cuba's sugar. It is very clear why Cuba produces rice. She is forced to.

Let me finish reading the statement by Representative COOLEY. After the 1-hour debate on the bill, debate on amendments was limited to a total period of 20 minutes, giving each speaker approximately 45 seconds to express his opinion.

During the debate on the amendments, Representative MCCARTHY, of Minnesota, stated:

The chairman of the committee argues that we should accept this bill on faith as there is not sufficient time for explanation. We have a right to have an explanation of the bill.

Chairman COOLEY replied:

I had 30 minutes and I explained that it was impossible within 30 minutes for me to explain this bill and that the membership, of necessity, would have to take it on faith.

Can the Senator from Louisiana cite any example of Congress having been asked to authorize such an amount of money without any hearings having been held, and on the basis which the chairman of the House committee has stated, namely, that it was a complicated question, which he could not explain?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DOUGLAS. As I understood the Senator from Louisiana's argument, the Committee on Finance could not have been expected to hold hearings on H. R. 7030 until the bill had been passed by the House; and that, therefore, so long as the House had not passed the bill until Saturday, yesterday, or Monday, was the first day the Senate Committee on Finance could have considered it.

That may be true so far as H. R. 7030 is concerned, but I hold in my hand S. 1635, which was introduced on April 1 by the distinguished senior Senator from Louisiana [Mr. ELLENDER] and a large number of other Senators. A good deal of time has elapsed since April 1. It would seem there has been ample time for the Senate to have conducted hearings on that bill simultaneously with or parallel with the hearings held on H. R. 7030. Yet, so far as I know, S. 1635, while it has been read twice and has been referred to the Senate Committee on Finance, has not been reported by the committee. When I scanned the calendar this morning, I could not find the bill on the calendar.

So I agree with the Senator from Arkansas that what we are being asked to do by the Senator from Louisiana is consider this vitally important bill, upon which no adequate hearings have been held, and therefore to legislate in the dark.

Mr. FULBRIGHT. I thank the Senator for his contribution.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MUNDT. I wonder if the Senator from Arkansas will advise the Senate whether or not the chairman of the House Committee on Agriculture was numbered among the supporters or opponents of this bill in the House.

Mr. FULBRIGHT. Frankly, I do not know. I did not look up the RECORD to see how he voted. I was looking to see what he stated about it.

Mr. MUNDT. I did not look it up to see how he voted, either, but it would appear to me to be a curious presentation if he did not vote for the bill. In 30 minutes he could have given considerable support with respect to the bill.

Mr. FULBRIGHT. The supporters are asking the Senate on the last day to suspend the rules, something which has never been done in history, and pass the bill. I assume that is the purpose of seeking to have the rules suspended. If it is passed in that little time, there will be very little opportunity to consider it. I know the bill has never received adequate consideration in this body. During the last debate on the bill in August 1951, I made a speech against it. I do not think anyone else made more than a gesture in opposition, and the bill passed with 4 votes against it.

Mr. ELLENDER. I was about to mention that.

Mr. FULBRIGHT. There is no secret about that.

I wish to give a few illustrations of why there were so few votes against the bill. Here are some of the reasons. Some reference was made by the junior Senator from Louisiana [Mr. LONG] to

Florida. The United States Sugar Corp. of Florida received, in 1954, \$702,000 in direct subsidies. Okeelanta Sugar Refining, Inc., received \$119,000 in direct subsidies.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Is it not true that both companies paid sizably more than the amounts of those subsidies in processing taxes?

Mr. FULBRIGHT. No, it is not true. The people who bought the sugar paid. The company did not pay anything. All it did was collect the excise tax from the consumer. That is precisely how it works.

How picayunish are the claims of our domestic producers. The real boy boys are Hawaii Commercial and Sugar Co., Ltd. In 1954 that company received \$1,051,585. I think the sugar beet industry in this country should be ashamed of the little demand of \$150,000 subsidy in a year. That amounts to an average of slightly more than \$40 an acre. Of course, the acreage is growing.

When the program was started, it was not intended to challenge the industry, particularly the beet industry. As I said to the Senator from Louisiana, what I say about the beet industry does not apply to the cane industry. Sugar is a natural tropical product. It grows best in places like Louisiana, Cuba, and Jamaica, and it is a fine crop and a natural crop. I think the crop in Louisiana can stand on its own feet, but it is certain that the sugar beet industry in the West could not survive without this kind of subsidy. I have no objection to the industry surviving, but I do have objection to the use of subsidies to build up an industry which will destroy another industry such as the rice industry, which I think has as much right to survive as has the beet industry.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. I do not believe the record would show that all the industry of the West has been subsidized. We produce only 28 percent of the sugar consumed in this country. Certainly there is little, if any, justification for contending that we ought to be entirely dependent on foreign sources of sugar.

So far as subsidies are concerned, the processors pay a tax, and the facts are that the Federal Government has actually had a profit through the operation of this tax. The purpose of the tax, I am sure the Senator from Arkansas understands, was to compensate the producers of sugar, particularly beet sugar, because of the imposition of high labor costs in the industry.

Actually, the record shows that the Federal Government has not collected taxes from the consumers of sugar except indirectly.

When we consider the huge subsidies paid, from taxes collected by the Federal Government, to the merchant marine, for instance, for operating differentials, in order to raise the standard of pay for American seamen, certainly there is little justification for contending at this

time that the sugar beet industry of this country makes a showing that it requires a subsidy in order to operate profitably. I am sure the Senator will agree with that statement generally.

Mr. FULBRIGHT. I wish to say that I am certainly not now speaking to justify the subsidies paid to the merchant marine. We shall have to call on the Senator from Washington to do that.

I should like to make a comparison of the attitude of the administration toward cotton. We asked the Secretary of Agriculture to increase the relief by 5 percent. He would not think of doing it. As everybody in the Senate knows, he turned us down. He would not grant us relief as to cotton. Consequently, cotton cultivation has been decreased to 17 million acres.

I have in my hand a list showing the payments made to the various States under the sugar program. In Idaho the farmers received, in 1937, \$1,180,543. In 1952 they received \$2,596,000. That is an average of \$806 per farm. I think that is more than the average net income of the farmers of my State from all crops. I am giving only the cash subsidies paid to the farmers in Idaho.

I do not blame the Senator for thinking this is wonderful legislation. I would probably think so if I were in his place. But when I think legislation is to be used to the detriment of legitimate farmers, such as rice farmers, I think it is inexcusable, and I believe proponents are going too far in seeking to increase their quotas at the expense of the markets of the farmers in my State. That is what would be done if the provisions of the act were to be extended 6 years. Congress would not have an opportunity to look at the question again for 6 years. The quotas would be revised, and the quotas for the people who buy our rice would be reduced relatively.

Mr. DWORSHAK. The Senator has made some allusions to Secretary Benson and his apparent sponsorship of the legislation. Surely the Senator from Arkansas knows that the original Sugar Act was enacted in 1935, and was extended in 1937, in 1941, in 1943, and in 1946. So far as Secretary Benson's responsibility is concerned, we cannot hold him liable for what took place many years prior to his becoming Secretary of Agriculture. I am sure the Senator is aware of that fact.

Mr. FULBRIGHT. Certainly I am. What I said was that he shows a very great inconsistency in his attitude between subsidies, if we may call them subsidies, in the way of support prices, as between cotton, certain other commodities, and sugar. He has been very critical of all other programs. I am sure the Senator remembers the speech the Secretary made in which he said he thought subsidies paid to farmers corrupted them.

I should think he would be very much ashamed of the corruption he is spreading in the sugar industry. They must be in terrible shape if the subsidy is affecting adversely their moral fiber.

Mr. DWORSHAK. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Sen-

ator from Arkansas yield to the Senator from Idaho?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. The Senator from Idaho has no desire to disparage either the cotton industry or the rice industry. Cotton and rice are exportable commodities, whereas in the case of sugar, we produce only from 28 to 30 percent of the sugar we consume. I am sure the Senator from Arkansas will not contend that we should forego the normal expansion of the production of beet sugar and cane sugar in the United States to meet increased consumption. In case of a war—as occurred during World War I—we would be at the complete mercy of the foreign producers of sugar, with the result that the price would rise to a very high point—as during World War I, when it rose to approximately 30 cents a pound.

Mr. FULBRIGHT. Did the Senator from Idaho refer to "normal expansion"?

Mr. DWORSHAK. That is right.

Mr. FULBRIGHT. Sometimes it amazes me, Mr. President, after some programs are considered paternalistic, to observe how enthusiastic some Members are about this program, in which the Government is used to pay a subsidy for the production of sugar.

Mr. DWORSHAK. I am not authorized to speak for the policy of the industry leaders regarding this matter; but I point out that the only reason why the processing tax was levied in connection with sugar was to compensate the sugar-beet growers for restrictive quotas and for the increased labor costs which were imposed on the industry by preceding administrations. That was not done because of anything the sugar-beet industry requested; it was for the purpose of being an offset to take care of compulsory labor policies which were forced upon the industry. That is what the record will show.

Mr. FULBRIGHT. I should like to see that record, for I have never heard of it. Does the Senator from Idaho mean to say that the Government forced the beet-sugar growers to pay high wages for the production?

Mr. DWORSHAK. That is entirely correct, for the labor standards were placed above the then existing wage levels; and in order to take care of that situation, the Congress in the late thirties levied the processing tax, to offset increased production cost. It was recognized that we must have a domestic cane-sugar industry and a domestic beet-sugar industry, so that we shall not be entirely dependent upon foreign producers.

Mr. FULBRIGHT. I do not think the Senator from Idaho would be correct in saying that we imposed minimum wages on farm workers in 1934.

Mr. DWORSHAK. It was for the handling of the beet-sugar crop. The date may not be that far back, but it was at least in 1937.

Mr. FULBRIGHT. Furthermore, I understand that it is the producer, not the processor or shipper, who receives that payment, is it not?

Mr. DWORSHAK. Yes, the producer receives compensation for the higher

labor standards and wages placed on the industry.

Mr. FULBRIGHT. Of course, I am not an authority on labor legislation, I am frank to say; but it is news to me that by means of legislation there was a direct requirement for the payment of wages higher than the normal wages. If the Senator from Idaho means there was a general rise in wages, because of changing economic conditions, of course, that is true. But that was an indirect process.

Mr. BENNETT. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. BENNETT. Perhaps I can shed a little light on this matter. Prior to the Democratic administrations in the 1930's, the raising of sugar beets in the West was a family business; and the laborious task of thinning and topping the beets was performed by the teen-age youngsters. In fact, the high schools regularly had "beet sugar vacations," as they were called, in the spring and in the fall.

Congress then required the use of labor at the normal standards, and on a basis which would have put the sugar-beet industry out of business, if it had not been for the kind of relief provided by this measure.

Although the processing tax or subsidy, as the Senator from Arkansas calls it, goes to the producer—

Mr. FULBRIGHT. What does the Senator from Utah call it? Is it not a subsidy?

Mr. BENNETT. It is given to him in order that he may pay higher contracts to the producers. The producer—not the refiner—is the one who gets the benefit from this program.

Mr. FULBRIGHT. Yes; I agree it is the producer who receives the benefit. I hope I did not say anything to the contrary.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield to the Senator from Louisiana.

Mr. ELLENDER. Let me state that prior to 1934, we had high tariffs to protect the sugarcane growers and also the beet-sugar producers.

When the Jones-Costigan Act was passed, instead of relying on the high tariff, the Congress decided on the quota system; and in order to offset the failure to collect the tariff, a sales tax of one-half cent a pound was imposed on sugar. As a result, in the case of a country such as Cuba, which then provided most of our offshore sugar, what happened was that the tariff, insofar as Cuba was concerned, was cut in half. By that method the producers of both sugarcane and sugar beets were protected, through the collection of the sales tax of one-half cent a pound. But in doing so, the law provided for a decrease in the tariff, so as to afford our neighbor, Cuba, more profit on the production of sugarcane. That, together with what the distinguished Senator from Idaho and the distinguished Senator from Utah have stated, was the reason why this excess tax was imposed, in lieu of the high tariff.

Mr. FULBRIGHT. Mr. President—

Mr. DWORSHAK. Mr. President, will the Senator from Arkansas yield, to permit me to make the RECORD clear in regard to the processing tax?

Mr. FULBRIGHT. I shall be glad to yield in just a moment.

First, I desire to ask unanimous consent to have printed at this point in the RECORD a telegram from Gen. Carlos P. Romulo. In submitting the telegram for printing in the RECORD, I wish to read a brief paragraph of the telegram, as follows:

If at this late hour in the session of Congress a full and fair presentation of the case for Philippine sugar might not be feasible, we believe we could get a fairer hearing if action on the sugar bill is postponed until the next session, since the principal provisions of the bill are not to take effect in the current year in any event.

Mr. President, I submit the telegram, for the information of the Senate.

The PRESIDING OFFICER. Is there objection?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 1, 1955.
Hon. J. W. FULBRIGHT,
Senate Office Building,
Washington, D. C.:

As special envoy to the United States of President Magsaysay, of the Philippines, I appeal for your assistance in preventing an injustice to the Philippines which alone among foreign suppliers of sugar is being singled out for exclusion from participation in increased quotas. Due to increases in consumption of sugar in the proposed sugar bill, pending consideration by the Senate, we feel we need it the most because of trade deficits, inflation, and unemployment resulting from the destruction of our national economy in the last war. On June 14 I transmitted to the United States Government an expression of our anxiety at reports that proposed sugar legislation gave no participation to Philippines in future increases of United States sugar consumption which provision is envisaged in the so-called Langley-Laurel agreement. Our people respect priority of American domestic producers but do feel a moral right to share in substantial quota increases allotted to offshore and foreign producers. During the period of war and the following period of reconstruction the Philippines was unable to market in this country 8 million tons of sugar of the quota to which she was entitled, and other foreign suppliers covered this deficit upon which the United States Government collected some \$100 million in import duties. The sugar industry is among the first principal Philippines industries to recover from the ravages of the last war and is in a position to assist greatly in the solution of our problems of unemployment, trade deficits, and inflation. The stabilizing of our national economy would greatly aid us in our desire, after having successfully contained communism in our own country, to play a full part in containing it in our part of the world, where half of humanity lives, and where communism and neutralism are making gains.

If at this late hour in the session of Congress a full and fair presentation of the case for Philippine sugar might not be feasible, we believe we could get a fairer hearing if action on the sugar bill is postponed until the next session, since the principal provisions of the bill are not to take effect in the current year in any event.

Gen. CARLOS P. ROMULO.

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a memorandum from John A. O'Donnell, counsel of the Philippine Sugar Association; and also a telegram from Joseph M. Creed, counsel of the American Bakers Association; and a telegram from W. E. Murray, president of the Philippine-American Chamber of Commerce.

There being no objection, the memorandum and telegrams were ordered to be printed in the RECORD, as follows:

MEMORANDUM TO SENATOR FULBRIGHT RE H. R. 7030, TO AMEND THE SUGAR ACT OF 1948

Mr. President, you are all aware of the fact that this body passed during the last 2 weeks amendments to the Philippine Trade Act, which amendments are now with the President of the United States. These amendments become effective in January 1956 and article III thereof authorizes the Philippines to ask for a portion of the increase in United States sugar consumption which occur every year by reason of our population (135,000 tons per annum).

PHILIPPINE ECONOMY: IT IS STILL FAR FROM COMPLETE RECOVERY

The Philippine Islands, which always had a favorable balance of trade with us and with the world before the war, have piled up a tremendous deficit during the years of reconstruction and rehabilitation. It is significant to note in this connection that, in the 8 year period before the war, 1934-41, the Philippines had a total favorable balance of trade with the United States of \$257 million (imports, \$621 million; exports, \$878 million); in the 8-year period after the war, 1946-53, the Philippines had a total negative trade balance with the United States of \$1,268 million (imports, \$2,861 million; exports, \$1,593 million).

The country is still plagued by inflation and unemployment and has had to adopt strict currency and import controls. These conditions prevail, even though there have been pronounced strides toward full recovery.

There is no question in the mind of anyone familiar with that part of the world that the Philippines are determined to do everything possible to improve the stability of their economy, and to raise the standard of living of the people. Continued growth and expansion of Philippine industries could further the attainment of those goals much more effectively, than any outside aid.

THE PHILIPPINE SUGAR INDUSTRY

The Philippine sugar industry emerged from World War II completely paralyzed with most of the factories destroyed and the farms laid waste and abandoned. Recovery and rehabilitation of the industry was handicapped by the universal shortages of machinery and equipment. Sugar plantations had to be reconditioned for resumption of sugar production but, due to the lack of cane seeds, shortage of work animals, agricultural implements and supplies, the area under cultivation could only be increased gradually. Consequently despite the efforts and sacrifices of both planters and mill owners and the generous assistance of the United States and Philippine Governments, it took the industry 8 years to completely recover its prewar status. In the 13-year period 1941-53, the Philippines could only ship to the United States 4,433,501 short tons out of its total quota of 12,376,000 short tons, thus giving up as deficits a total of 7,952,499 short tons.

These deficits totaling nearly 8 million short tons, valued at approximately a billion dollars, were filled by foreign suppliers, principally Cuba, which thereby benefited by the failure of the Philippines as a result of the war. The United States Government collected approximately \$100 million in customs duties on these Philippine deficits sup-

plied by Cuba and other foreign countries. It would therefore be but fair that now that it has recovered its prewar status the Philippines should be allowed to participate with these areas in any increase in the United States consumption. Any such increase accorded the Philippines will neither prejudice the present quota of any of these foreign areas, nor affect the quotas of the domestic areas, since the Philippines will only receive its proportionate share of any improvement in the United States sugar consumption.

CLOSE ECONOMIC TIES WITH THE PHILIPPINES

Further, please bear in mind that the Philippines have always had close economic ties with our country. They are the ninth best market for American exports. Seventy to eighty percent of their imports come from us. In 1953 we sold them \$351 million of our products. Since so much is made of the effects of quotas on trade with this country, it is interesting to note that another foreign supplier with 200 percent more quota than the Philippines is buying only 20 percent more of American products. The dollars which our people spend in purchasing Philippine sugar and other products come right back to us in the form of purchases of American products which the Philippines so badly need for reconstruction and rehabilitation.

The Philippines are the first or second best foreign market for a large number of American products, among them cotton manufactures, cigarettes, dairy products, wheat flour, galvanized steel sheets, rubber and manufactures, fertilizer materials, toilet preparations, soaps, educational textbooks, and dozens of other products. They also are a big buyer of iron and steel products, mineral oil, automobiles and parts, electrical machinery, paper, chemicals and drugs, leather and manufactures thereof, silk and rayon manufactures, fruits, and other products.

The strengthening of our trade ties with the Philippines would be advantageous to both countries. In particular, it would aid the Philippines in bolstering her economy, thus insuring a still higher standard of living for the people. This accomplishment, of course, would have far-reaching effects on the entire situation in the Pacific and the Far East. I repeat that the Philippines present the showcase of democracy in that area, and that other countries of that region are closely watching the Philippines and everything that happens there.

Let me mention just a few more items in the structure of our connecting bridge with the Philippines:

Under our mutual-defense pact with the Philippines, we have established important military, naval, and aerial bases in their country.

Under our trade agreement with them our investments are guaranteed the same protection and privileges as those of their own nationals.

Under the dynamic leadership of President Magsaysay, the Philippines is undergoing a program of development and strengthening their economy, so that they may better cope with the threat of communism.

The Philippine sugar industry is the first major industry of the country to fully recover from the effects of the war, and is in a position to contribute toward increased employment and improvement in her trade balances.

Despite the many difficult problems that beset the sugar industry, the industry is contributing its full share toward the support of the national economic structure. Resulting advantages in the Philippines are shared by the United States.

CONCLUSION

The Republic of the Philippines, friend, ally, and major purchaser of United States products, respectfully and earnestly asks that under any new sugar legislation, she be

allowed to share in increases in quotas due to increase of United States consumption above present levels. The Philippines is not asking an increase in her basic quota. She only requests the reestablishment of the principle of proportionate sharing established in the original sugar-quota system, so that she may be given the same right enjoyed by all domestic and foreign areas to participate proportionately in increases in quota due to increase in United States consumption.

Such action would be in harmony with the unique economic relationship with the Philippines which our country established and a recognition of the loss to this courageous country due to the war of some 8 million tons which might have otherwise been exported to the United States. Finally, it is another manifestation of the interest of the United States in the development of the Philippines which is a major bulwark against the expansion of Asiatic communism.

PRESIDENT'S MESSAGE

In this connection, I should like to recall that on April 11 the President of the United States in a message to Congress stressed the need for intensifying our cooperation with the free nations of southeast Asia in their efforts to achieve economic development and a rising standard of living. I quote from his message:

"The motivation behind this cooperation is twofold: Our fixed belief in the worth and dignity of the human individual whatever his race or flag may be, and our dedication to the principle that the fruits of national growth must be widely shared in every society.

"As a people we insist that the dignity of the individual and his manifold rights require for their preservation a constantly expanding economic base. We are convinced that our continued economic, cultural, and spiritual progress are furthered by similar progress everywhere. * * *

"We seek to evolve a consistent and stable economic policy which will assist free nations in their efforts to achieve a sound growth for their economies."

JOHN A. O'DONNELL,

Counsel, Philippine Sugar Association.

WASHINGTON, D. C., July 31, 1955.

Senator J. W. FULBRIGHT,

United States Senate:

Following wire sent today to Senator HARRY BYRD: "Understand your committee will hold hearing Monday morning on H. R. 7030 which would amend and extend Sugar Act of 1948. Industrial sugar users as consumers of over 65 percent of all sugar are vitally interested in this legislation. Users and consumers interests seriously damaged by bill as passed by House. Would greatly appreciate your scheduling us to testify." Appreciate any assistance you can give.

JOSEPH M. CREED,

Counsel, American Bakers Association.

NEW YORK, N. Y., August 1, 1955.

Senator J. W. FULBRIGHT,

Senate Office Building,

Washington, D. C.:

This chamber representing 130 major American firms doing business in and with the Philippines feels that the bill to extend the Sugar Act of 1948 now before the Senate discriminates against the Philippines, a country with which we have had special relations for many years, in that the Philippines is the only country omitted from consideration for a proportionate share of any sugar-quota increases to foreign suppliers resulting from increased United States consumption. We hope that the Senate will find time at this late hour to remedy this apparent omission so as to give the Philippines an opportunity to strengthen their economy in the critical days ahead. The Philippines, our best and proven friend in the Far East,

urgently needs whatever assistance is possible in helping to build their economy with the result a stronger democracy to back up the Philippines, the site of our most important air and naval bases in the Far East.

W. E. MURRAY,
President, the Philippine-American
Chamber of Commerce.

Mr. FULBRIGHT. Mr. President, since there were no hearings, and since these persons did not have an opportunity to express their views on this question, I think the least we can do is print their communications in the RECORD.

Mr. DWORSHAK. Mr. President, I invite the attention of the Senator from Arkansas to Agricultural Information Bulletin, No. 111, of the United States Department of Agriculture, for July 1953, on page 15. The language is as follows:

Conditional payments are financed out of the general funds of the Treasury. However, a tax on sugar provides funds for the Treasury which more than offset the total of all conditional payments plus the costs incurred by the Department of Agriculture in administering the Sugar Act. This tax is in the amount of one-half cent a pound, raw value, on all sugar processed and imported for direct consumption. It is imposed on domestic processors, principally beet processors and refiners, and importers of direct-consumption sugar by the Sugar Act, through an amendment to the Internal Revenue Code.

As indicated in the section on proportionate shares, conditional payments act as an incentive to growers to adjust their production to the quota and carryover needs. But this payment system also has 3 other objectives. These other objectives are: (1) To help provide adequate incomes to growers; (2) to assure growers and field workers a fair sharing of returns to the industry; and (3) to prevent the employment of child labor in field work.

The first objective is accomplished by augmenting grower income through conditional payments. The second and third objectives are achieved by requiring growers to observe certain conditions in order to receive conditional payments.

Mr. FULBRIGHT. I do not think there is any dispute about it, but all subsidies are paid by taxes of one sort or another. Those taxes are paid by the consumers of America.

The PRESIDING OFFICER. The Chair advises the Senator from Arkansas that at 5 o'clock and 32 minutes morning business will be concluded, and the unfinished business will be laid before the Senate. The motion now pending will lapse. There is not very much time left.

Mr. FULBRIGHT. The motion now pending will lapse at 5:32?

The PRESIDING OFFICER. It will. It can be renewed, if the Senator making it obtains recognition for that purpose.

Mr. FULBRIGHT. I can speak until 5:32, and it will lapse.

Mr. President, I wish to call the attention of the Senate to a study made by a member of the House Special Study Mission to Cuba, in the 83d Congress, 2d session which was printed for the use of the Committee on Foreign Affairs. It was made by Representative ALBERT P. MORANO, of Connecticut. It is an excellent description of Cuba's re-

lation to this country, and points out the importance of Cuban trade with this country. Cuba is the sixth most important market. Among other things, in addition to rice, she bought \$23 million of cotton, \$18 million of lard, \$30 million of chemicals, \$28 million of automobiles, and so forth, totaling \$426 million. So she is a very important customer of this country. The Sugar Act is the principal present limit upon any increase in that trade.

I also wish to complete the statement which I indicated a moment ago would bear out what I believe to be the truth with regard to rice.

In 1949-50 we exported to Cuba 6,111,628 hundredweight of milled rice. In 1950-51, the export figure for milled rice went up to 6,959,708. That figure dropped in 1953-54 to 4,655,390 hundredweight. During the same period, from 1950 to 1955, imports of sugar from Cuba to the United States declined from 3,265,088 short tons raw value, to 2,667,840, or a drop of not quite 1 million tons. However, relatively, and percentage-wise, it is approximately the same amount. In other words, as we cut off the sales of sugar by Cuba to this country, sales of rice and other things to Cuba have been cut off. Rice is the principal product.

I do not think it is purely coincidence that the reduction in imports of Cuban sugar was accompanied by a reduction in our exports of rice.

The sugar bill is important, not because it is an item of defense—because I

do not think it has any relationship to defense—but because of the extent of the subsidy which is collected from the consumers of this country.

A moment ago reference was made to Florida, which is 1 of the 2 cane-producing States.

As I said, I believe the cane producers are the legitimate producers of sugar. Insofar as they can supply the market in a natural way, I would have no objection if they were to participate in the same kind of support price subsidy—if we wish to call it that—or program that producers of other commodities, like rice, for example, participate in.

In 1953, as an example of the extent of it, Florida cane producers received \$1,330,495. The average payment per farm was \$53,220. Naturally, that is quite a sum of money. There is nothing comparable to that at all.

As I said a while ago, however, the Hawaiians are the greatest beneficiaries of the program, especially the larger growers. One of them, as I mentioned a moment ago, received \$1,051,000. Then there are approximately 25 others who have received more than \$100,000. There are several who have received over \$300,000, and 2 or 3 over \$500,000.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a list, prepared by the Department of Agriculture, Sugar Division, dated August 1955, of the producers who have received more than \$100,000.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Names of persons receiving Sugar Act payments of \$100,000 (rounded to nearest dollar or more)

Name of producer	Amount of payment					
	1949	1950	1951	1952	1953	1954
HAWAII						
Hakalau Plantation Co.	\$163,902	\$150,784	\$133,839	\$151,694	\$166,920	\$180,726
Hamakua Mill Co.	215,398	234,544	235,271	247,724	291,793	282,935
Hawaiian Agricultural Co.	318,698	308,085	320,733	306,657	313,439	311,534
Hilo Sugar Plantation Co.	187,735	166,655	138,507	148,456	172,715	192,840
Honokaa Sugar Co.	267,392	245,150	248,577	231,439	309,421	243,824
Hutchinson Sugar Plantation Co.	169,150	160,866	156,710	176,577	192,448	163,104
Kaiwika Sugar Co., Ltd.	111,233	152,491	164,544	173,685	189,985	180,656
Kohala Sugar Co.	329,718	356,786	374,432	352,851	404,692	360,527
Laupahoehoe Sugar Co.	154,176	156,795	179,352	195,295	225,550	219,179
Olau Sugar Co., Ltd.	270,542	271,995	238,720	295,032	261,954	265,141
Onomea Sugar Co.	180,275	147,556	113,804	163,743	201,628	230,196
Paauhau Sugar Plantation Co.	140,893	149,417	159,764	172,298	176,535	176,446
Pepee Sugar Co.	167,277	171,124	154,454	175,589	194,619	203,524
Gay & Robinson	131,589	149,086	155,361	172,693	170,610	171,911
Grove Farm Co., Ltd.	297,254	290,393	253,490	302,340	329,637	325,264
Kekaha Sugar Co., Ltd.	394,386	375,705	364,661	392,831	388,238	397,586
Kilauea Sugar Plantation Co.	122,825	119,781	123,777	133,563	157,771	145,205
McBryde Sugar Co., Ltd.	262,012	266,985	270,892	292,851	294,385	285,441
Olokele Sugar Co., Ltd.	260,061	270,457	289,384	288,729	308,685	288,002
The Lihue Plantation Co., Ltd.	473,508	461,941	473,698	506,439	508,508	498,880
Hawaiian Commercial & Sugar Co., Ltd.	954,849	974,940	1,028,502	1,011,005	1,085,695	1,051,585
Pioneer Mill Co., Ltd.	355,598	397,691	437,180	391,671	433,037	457,358
Wailuku Sugar Co.	219,844	242,421	234,159	208,979	244,946	271,718
Ewa Plantation Co.	461,725	475,195	479,118	472,586	489,921	489,051
Kahuku Plantation Co.	178,495	178,884	181,047	187,968	201,804	195,828
Oahu Sugar Co., Ltd.	600,740	588,492	600,963	608,470	613,463	572,497
Waialua Agriculture Co., Ltd.	453,601	510,227	522,311	524,113	450,332	517,710
FLORIDA						
U. S. Sugar Corp.	592,452	615,026	658,835	789,158	750,633	702,564
Okeelanta Sugar Refinery, Inc.	(1)	(1)	(1)	125,343	158,148	119,015
LOUISIANA						
Godechaux Sugars, Inc.	(1)	127,675	(1)	135,124	138,488	(2)
South Coast Corp.	177,418	232,478	165,863	226,256	234,416	(2)
Southdown Sugars, Inc.	143,447	166,330	127,713	234,696	227,073	(2)

Footnotes at end of table.

Names of persons receiving Sugar Act payments of \$100,000 (rounded to nearest dollar) or more—Continued

Name of producer	Amount of payment				
	1949-50	1950-51	1951-52	1952-53	1953-54
PUERTO RICO					
Luce & Co.....	\$608,281	\$617,988	\$610,841	\$555,599	(¹)
Heirs of Miguel Esteves Blanes, deceased.....	142,600	166,707	154,701	140,143	(²)
Eastern Sugar Associates.....	429,992	344,622	388,236	336,668	(²)
Antonio Roig, successors.....	392,770	356,064	368,743	337,295	(²)
Succion J. Serralles.....	376,861	396,125	363,867	318,746	(²)
Mario Mercado e Hijos.....	112,484	119,704	116,589	110,194	(²)
Ramon Gonzalez Hernandez.....	107,618	(¹)	131,877	169,748	(²)
Antonio Cabassa Vda.....	103,584	101,885	(¹)	(¹)	(²)
Heirs of Alfredo Ramirez Rossell.....	112,682	101,430	(¹)	(¹)	(²)

¹ Under \$100,000.

² Not available at this time.

NOTE.—The above figures of payments were tabulated according to the records in the Washington office of the Sugar Division. Inasmuch as reports for processor-producers only have been received during the past few years, there may be some producers, other than processors, who have received payments of \$100,000 or more. However, this is doubtful.

Mr. FULBRIGHT. It seems to me it is a very unusual program that can tax the American consumers to the extent that a million dollars is paid to one producer of sugar in Hawaii in 1954.

Where that has been beneficial to this country or to the consumers of this country, I am unable to say. It has grown until it has gotten completely out of proportion with respect to other agricultural programs. I am strongly against the continuation of the existing program.

In closing, I would not say that I would oppose any program for sugar. Of course I would not. As I said, particularly in Louisiana there may be some beet areas that may need some help, and I understand from the producers that the cost of labor and other things are such that they must have a subsidy to survive. However, I cannot understand the argument that we must follow this kind of program for an uneconomic agricultural commodity.

Mr. LEHMAN. Mr. President, I have prepared a statement with regard to the pending sugar legislation. I ask unanimous consent that the statement be printed, together with the attached exhibits, at the conclusion of the remarks of the Senator from Arkansas.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

Grave questions are raised in this revised bill. Provisions have been included which, on the merits, would justify my vote against this bill, even though I was a cosponsor of it in its original form.

There is, in section 6, an unsupportable discrimination against Puerto Rico and the Virgin Islands which, in the allocation of extra quota, are placed in a subordinate position to the mainland areas.

I cannot agree to such discrimination. I am unalterably opposed to it.

There is still another defect in this bill—the treatment of the Philippines. I think the Philippines should be given a preferred position.

The treatment accorded the Philippines is not as favorable as it should be. I hope this can be remedied. I hope it will be remedied.

Returning to the question of Puerto Rico, let me recite my association with this legislation.

I have been interested in the complex problems connected with the pending amend-

ments to the Sugar Act. While I have had some reservations as to the precise terms of S. 1635 introduced by the distinguished chairman of the Senate Committee on Agriculture, the senior Senator from Louisiana. I was pleased to join with him, and 48 of my colleagues in sponsoring these amendments.

While my concern with this legislation goes to many facets of this problem, including its implications for our foreign relations, its effect on labor standards, the necessity of providing safeguards for the sugar producers and refining industries in the United States, and the interests of our consumers, I wish to direct my remarks to the problem surrounding the quotas allocated to Puerto Rico.

At the time I joined as a cosponsor of the proposed Sugar Act amendments, I wrote the distinguished chairman of the Senate Agriculture Committee concerning my reservations dealing with direct consumption sugar import discriminations against Puerto Rico.

I attach hereto this exchange of correspondence to be printed in the RECORD. (See exhibit I).

When the sugar legislation was before the Senate in August 1951, I expressed the hope that the refined-sugar restrictions in the act would be surveyed. I attach hereto an extract from my remarks at that time. (See exhibit II.)

Since that time impartial commissions of outstanding public men, appointed by President Truman and President Eisenhower, have emphasized the need of alleviating these restrictions placed on our insular producers. I attach hereto the appropriate extracts from both the Bell committee report and the Randall commission report on this point. (See exhibit III.)

Unfortunately, many of these unwise restrictions remain in the bill now before us, and we still follow the unwise practice of treating domestic offshore areas such as Puerto Rico on a different and less favorable basis than that given to our mainland producers and refiners.

I would like to bring to the attention of the Senate the fact that 18 years ago, President Franklin D. Roosevelt, on the occasion of signing the sugar bill enacted by the Congress in September of 1937, inveighed against the restrictions contained in that bill on the shipment of refined sugar from Hawaii, Puerto Rico, and the Virgin Islands. President Roosevelt stated as a condition of his approval of the bill that he had been given assurances of the termination of these restrictions in future sugar legislation. Unfortunately, some 18 years later, these restrictions are still with us, and are contained in the present bill before the Senate.

I attach hereto extracts from President Roosevelt's message at that time. (See exhibit IV.)

Turning to the specific problem of Puerto Rico as we find it in the present proposed legislation, I would point out that when the first sugar program was enacted in 1934, Puerto Rico was given the right to ship to the mainland 15.5 percent of its total quota in the form of refined direct-consumption sugar. In the ensuing years the percentage of refined or direct-consumption sugar portion of the Puerto Rican quota has been gradually reduced to the 11.7 percent we now find in the present bill. This has been a result of the failure to increase the refined quota for Puerto Rico as the total quota has been increased. Under the pending measure it is proposed to make this smaller percentage permanent.

I realize the difficulty of amending the pending measure on the floor at this late point in its consideration. I have given consideration to proposing an amendment which would restore the original percentage of 15.5 of refined Puerto Rican sugar which could be brought to the mainland. I feel that such an amendment is more than justified—since it would only give recognition of the proportion which was originally provided for in the original 1934 legislation.

I will not offer such an amendment today. I do hope that the Senator from Louisiana can agree with me that this is a matter which needs further study, and perhaps congressional action during the next session of Congress. A very small increase in the refined quota for Puerto Rico would have far-reaching implications for the economy of this island which is confronted with a multitude of economic difficulties. On the other hand, such an increase would result in an infinitesimal reduction of the mainland refined quota.

In conclusion, Mr. President, I wish to say to the Senator from Louisiana, and to the others who have struggled with this complex problem, that I realize some benefits will accrue from this legislation for the people of Puerto Rico. I had hoped that they would be greater than they are, but I appreciate the pressures and difficulties which go with the drafting and passage of such a complicated bill.

EXHIBIT I

APRIL 1, 1955.

Senator ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.

DEAR ALLEN: I was very pleased to join with you in the introduction of a sugar bill to replace the Sugar Act of 1948. From all I can ascertain from a study of the bill, it is sound legislation—which has my support—with one reservation which I should like to bring to your attention.

First, let me say that my main interest in this bill—aside from the interest of New Yorkers as consumers—derives from our close association with Puerto Rico. We feel a special kinship with Puerto Rico and a special obligation to advocate and defend her interests in Congress and elsewhere.

The provisions of your bill dealing with direct consumption of refined sugar have, in my judgment, a severely discriminatory effect upon Puerto Rico. I cannot see why Puerto Rico should not be permitted to grind and mill all the additional tonnage of sugar which she is permitted to grow under the terms of your proposal. This would not take away from the mainland refineries any of the work they now have, as far as Puerto Rico is concerned, and would, at the same time, recognize, to some degree, the principle that Puerto Rico is an integral part of the United States and should not be discriminated against.

If an amendment to achieve the above purpose is offered on the floor of the Senate, I shall surely support it.

In other respects, without regard to constructive suggestions for the improvement of

the bill of which I am not now aware, I am in favor of the bill as introduced.

With kind personal regards, I am
Sincerely,

MAY 2, 1955.

HON. ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.

DEAR ALLEN: Thank you very much for your letter of April 26, and for your good recognition of my support of your sugar bill.

I have heard more from my cosponsorship of this bill than from almost any other bill I have cosponsored this year. Not all that I have heard has been complimentary to me. I hadn't really realized how controversial a sugar bill could be.

About the refined sugar quota, and your comment on my reservation regarding it, I have heard very recently from my Puerto Rican friends, including Governor Munoz-Marin. He feels very strongly that the principle involved is a most important one and he urged me strongly to press the point I had made.

I do not, of course, know what I shall do when the bill comes to the floor—whether or not I myself will propose an amendment. I greatly hope that something can be worked out that is satisfactory to the Puerto Ricans, before the bill is reported. In any event, I will bear in mind your viewpoint on the matter.

Yours very sincerely,

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE
AND FORESTRY,
April 26, 1955.

HON. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR HERBERT: I was very glad to get your letter of April 1. Believe me, I was pleasantly surprised when I looked in the CONGRESSIONAL RECORD the morning after I introduced the sugar bill to find that you had added your name as the 49th cosponsor. Your support will mean much to us in our efforts to get sugar legislation enacted this year.

I am very sympathetic to the problem that you mention in your letter, but I do hope that the question can be postponed for some time in the future. What we are trying to do this year is to get the law changed so that the domestic producing areas, including Puerto Rico, can get a reasonable share of the increase in consumption that occurs each year as a result of our population growth. As you know, under the present act we are precluded altogether from sharing in this increase, and 96 percent of it goes to Cuba. The important thing this year is to get an adjustment in the method of allocating this annual increase in consumption, and I sincerely believe that the best interests of the Puerto Ricans will be served if they support the bill which you and I have sponsored in the Senate.

With kindest personal regards and best wishes, I am

Sincerely,

ALLEN J. ELLENDER,
United States Senator.

EXHIBIT II

JULY 29, 1955.

[From the CONGRESSIONAL RECORD of August 22, 1951, p. 10714]

MR. LEHMAN. * * * I am advised that the House committee report contains the suggestion that it would be desirable at some future time, not now, to resurvey the allocations of refined sugars. I simply want to express the hope that that will be done in due course.

MR. ELLENDER. Yes. Of course, there is nothing to that effect in the bill itself. It is

only a suggestion which appears in the House committee report.

MR. LEHMAN. I understand that, but it seems to me a very equitable and fair suggestion, and I wish to associate myself with it.

EXHIBIT III

JULY 29, 1955.

[From the Bell committee report]

A REPORT TO PRESIDENT TRUMAN BY THE PUBLIC ADVISORY BOARD FOR MUTUAL SECURITY, FEBRUARY 1953, ON A TRADE AND TARIFF POLICY IN THE NATIONAL INTEREST

The entire increase in sugar supplied by foreign and insular producers should be permitted to be imported in the form of either refined or raw sugar. It is unjust to limit severely the proportion of their quotas which these producers can ship as refined sugar. If some expansion of the refining industry were to take place in Cuba or other off-shore areas as a consequence of a more liberal policy on refined sugar, this would represent a logical industrial development for those areas. It would be consistent with United States policy of encouraging economic development and stimulating private investment in underdeveloped countries.

In the staff report to the Randall Committee Report of January 1954 to President Eisenhower (Report of the Commission on Foreign Economic Policy), the following criticism is given of the sugar program.

(2) Through special quotas limiting shipments of refined or "direct-consumption sugar" to the continental United States, mainland sugar refiners are given absolute protection at the expense of those in Puerto Rico, Cuba, and the Philippines—representing a denial to these supplying areas of a kind of industrial processing that is highly appropriate to their resources.

EXHIBIT IV

JULY 29, 1955.

[From President Roosevelt's statement of September 1, 1937, upon his signing of the sugar bill]

Since the passage of the bill I have been given the following assurances by Senators representing the great majority of continental sugar producers:

1. That their primary interest in sugar legislation is to afford protection to the growers of sugar beets and sugar cane in all domestic sugar producing areas of the United States, and when the Sugar Act of 1937 comes up for renewal they will endeavor to deal with the question of refined sugar quotas in a separate measure.

2. That they recognize the fact that Hawaii and Puerto Rico and the Virgin Islands are integral parts of the United States and should not be discriminated against.

3. That when the refined sugar quotas for Hawaii, Puerto Rico and the Virgin Islands are terminated, they will endeavor to enact legislation providing that minimum labor standards in sugar refineries in these off-shore areas shall not be lower than the minimum standards in refineries on the mainland.

4. That in future legislation they will see to it that the American housewife is protected adequately.

I have received similar assurances from responsible leaders of the House of Representatives. In view of these assurances, therefore, I am approving the bill with what amounts to a gentlemen's agreement that the unholy alliance between the cane and beet growers, on the one hand, and the sea-board refining monopoly, on the other, has been terminated by the growers.

NOTE.—With respect to No. 3 above, the Federal Minimum Wage of 75 cents per hour has been applied to the Puerto Rican Re-

fining Sugar Industry, since the above statement.

MR. ELLENDER. Mr. President, I should like to ask the indulgence of the Senate for a few minutes, in order that I may correct a few misstatements made by my friend from Arkansas [Mr. FULBRIGHT] with regard to sugar production.

As I said during the colloquy, the original method of protecting the domestic sugar industry against cut-throat foreign competition was by tariff. As I remember each sugar tariff legislation—the first of which was passed in 1789—provided for tariffs which ranged from 1 to 3 cents a pound. A sugar bounty was in effect for a time. In 1894 a new tariff was levied and a protective sugar tariff remained in force until the present sugar program became law. In 1934, when the Jones-Costigan Act was placed on the statute books, a new method of protecting our domestic sugar producers was devised. In order to protect the domestic sugar industry of the United States, a series of quotas was set up. High domestic production costs made it necessary for us to subsidize the domestic producers in order to keep consumer prices low and to assure our own industry's continued existence. To pay this subsidy, a tax of half a cent a pound on all sugar processed in this country was placed on the statute books, and the proceeds from that tax have been used to pay production subsidies, and also used to offset the effect of preferential tariff treatment awarded to Cuba. Cuba presently pays a tariff of one-half cent a pound on sugar sold in the United States, compared with 0.625 cent a pound by so-called full duty countries.

Experience has proven the wisdom of the decision of Congress to abandon the cumbersome protective tariffs—which subject our consumers to wildly fluctuating prices, and brought panic to world markets on occasion—in favor of a system of production payments and quotas.

In the legislative provisions of the Sugar Act, and in its administration, the United States has been very good to Cuba. Cuba has been given for many years a preferential tariff rate on sugar sold in this country. The tariff on sugar has been cut 75 percent since the initiation of the quota system.

The Senator from Arkansas stated that if Cuba fails to continue to expand its sugar market in the United States, it will not be able to continue to buy rice. That is not so. The reason Cuba is not buying as much rice today as she bought from us 4 or 5 years ago is that Cuba has increased its rice production from an average of 431,000 bags in 1935-39 to about 3 million bags at this time.

Cuba, Mr. President, gives good protection to its rice industry. How? Why, the Cubans protect the ricegrowers of Cuba by a tariff—a relatively heavy tariff of \$1.85 on every 100 kilograms of rice that is imported into Cuba from United States sources. That is how Cuba protects her rice industry. That is why Cuba is able to increase her rice production, and that is why Cuba is buying less rice from the United States.

We have a treaty with Cuba under which Cuba is to take a minimum of 3,250,000 quintals—a quintal is a little

more than a hundred pounds—of rice from the United States at a preferential tariff rate of one-half the regular Cuban rice tariff. In addition the United States is supposed to be permitted to market in Cuba the difference between Cuban rice production and Cuban rice consumption. Last year Cuba was supposed to have announced this supplemental quota by July 1.

Up to this time Cuba has never done so. In addition, although this year the announcement date of that supplemental quota has been set at later in the marketing year by means of negotiations between Cuba and the United States, I understand the Cuban Government has imposed unreasonable restrictions on American rice imports and is thus still in violation of certain technical provisions of the United States-Cuban Rice Treaty.

With respect to the so-called decrease in the amount of sugar that Cuba has been selling to the United States, which the Senator from Arkansas referred to, that decrease is more apparent than real. It is easily explained.

When the Sugar Act of 1948 was enacted, Cuba was awarded the right to fill the entire deficit in quotas assigned to the Philippines. It will be remembered, I am sure, that as a result of World War II, the Philippine sugar industry was badly crippled. The Philippines could not produce sufficient sugar to fill their quota. Cuba, under the 1948 act, supplied the difference.

As the sugar industry of the Philippines recovered from the ravages of World War II, the deficits in quotas assigned to that nation grew smaller. As they dwindled, so did the amount of adjusted-quota sugar supplied by Cuba.

For instance, in 1948, the Philippines were entitled to ship to us 974,000 tons of sugar. She did not produce that much. Her adjusted quota was only 252,000 tons. The difference between what she could have shipped to the United States under her quota and what she actually did ship us—722,000 tons—was made available to Cuba. And Cuba was also given a proportionate share of all deficits from the domestic producing areas, including Hawaii.

In addition to the amount of sugar that Cuba was permitted to market by means of filling deficits in other areas, the 1948 act also provided that 96 percent of the increased consumption of sugar in the United States—consumption due primarily to increased population—was awarded to Cuba. The remaining 4 percent went to other foreign countries—full duty countries.

Under the 1948 act, domestic producers—and domestic producers include mainland cane and beet growers, as well as Puerto Rico, Hawaii, and the Virgin Islands—were anchored to a fixed quota. The quota for mainland beet producers was set at 1,800,000 tons, and the quota for the mainland cane area was 500,000 tons. These quotas have remained unchanged since that time.

When the 1948 act was passed, none of us expected that our population would increase to the extent it has.

As a matter of fact, the record shows now that our population has increased

at the rate of some 2,700,000 persons per year. Of course, that increase in population has brought with it a greater consumption of sugar and sugar products. Because of that increase in population consumption of sugar in the United States has increased by a little over a million tons per annum since 1948.

Ninety-six percent of that one-million-ton increase has gone to Cuba. Not an ounce has been used to increase the painfully inadequate quotas imposed upon domestic producers 7 years ago.

For 7 years domestic sugar producers have been chained to fixed quotas. For 7 years our American sugar farmers have seen 100 percent of all increases in America's consumption of sugar flow to Cuba and other foreign nations. In that same period our cane and beet farmers have constantly sought to increase their efficiency. By using new, high-yielding varieties, developed by the Department of Agriculture, they have been able to make each acre of land produce more sugar. In true American tradition, by utilizing recent advances in mechanical planting, weeding, and harvesting, the domestic sugar producers have paved the way toward supplying a larger portion of the American demand for this "white gold."

The only roadblock in the way of our own farmers producing more of the sugar which Americans consume is a patently outmoded Sugar Act.

Earlier this year 47 Senators joined the distinguished Senator from Utah [Mr. BENNETT] and myself in proposing much-needed and absolutely fair amendments to the Sugar Act. Under these amendments domestic cane and beet producers would have received modest quota increases; they would also have had restored to them the right to supply 55 percent of future growths in American sugar consumption. This right was waived temporarily in 1948 in order to permit our Cuban neighbors to adjust their peak wartime production to more realistic peacetime levels.

Our bill, Mr. President, was a minimum-relief bill. We asked nothing which our farmers did not deserve. We proposed nothing which could not be fully justified—on the basis of economic necessity as well as fairness and justice to all concerned.

Under our Constitution, all legislation affecting revenue must originate in the House of Representatives. The Sugar Act involves a processing tax; certain features of the Sugar Act provide a source of revenue, from which are paid funds designed to compensate our farmers for their high production costs—compared to low-paid tropical labor—and, at the same time, keep consumer prices at reasonable levels.

Thus, until the House of Representatives acted upon the sugar bill, the Senate could not move a step forward. A number of House bills proposing amendments to the Sugar Act—all of which were practically the same—were introduced in March. The House Committee on Agriculture and Forestry held a number of hearings on these bills. Public hearings began on June 22 and terminated on June 29. An executive hearing was held on July 19. Finally, a

sugar bill was reported, but not until July 22. Included in this bill were a number of controversial features—complicated provisos, including the brand new idea of applying the controversial 90 percent of parity price support concept to overquota sugar—a concept that to my knowledge not a single member of the sugar industry asked for or wants.

The House Rules Committee first considered the bill this past Wednesday, July 27, but because of the complicated and highly controversial provisions added by the House Agriculture Committee decided against permitting the bill to go to the House floor for debate. I understand that the consensus of the Rules Committee was that the bill as reported involved a number of new considerations and, therefore, should be given careful study by all Members of the House. Since at that time the target date for adjournment was only 4 days away, the Rules Committee decided to withhold action on approving a rule permitting debate on the bill.

It is my understanding that on the next day, Thursday, July 28, the House Committee on Agriculture and Forestry advised the Rules Committee that certain controversial sections of the bill would be deleted from the bill, including the 90 percent of parity support proviso. The Agriculture Committee at the last minute thus cleared the way for Rules Committee approval of a sugar bill for House debate. This, the Rules Committee did. Subsequently, the House debated and passed the bill, but not until 6 p. m. Saturday, July 30, and the bill as passed was still a far cry from the bills which had been introduced originally.

On Monday, Mr. President, the House bill came to the Senate. It was read once as a prerequisite to being referred to the Finance Committee. The junior Senator from Arkansas [Mr. FULBRIGHT] objected to the second reading. As a result the bill could not be referred to Committee before today.

Realizing that it was impossible to amend a bill over which it had no jurisdiction and seeking to expedite action on this urgently-needed legislation, the Senate Finance Committee agreed to report out S. 1635, the bill I introduced, in a modified form. This, the junior Senator from Louisiana [Mr. LONG] sought to do, but there was objection. The report could not, under the circumstances, have been filed before today. Under the rules, unless unanimous consent were granted, the bill could not be taken up until one day more had elapsed.

It was at this point that yesterday, my colleague gave notice in writing that he would today seek to suspend the Senate rules and take up the House bill from the floor, without it being referred to the Finance Committee. It was to this parliamentary maneuver—a maneuver prompted solely by the dilatory tactics of two Senators who opposed this legislation—that prompted the junior Senator from Arkansas [Mr. FULBRIGHT] to raise his voice in opposition to the tactics being used. He has said, among other things, that the bill is a complicated one.

Mr. President, the original House bill was complicated. Even the modified

bill—the bill passed by the House—had technical complications. But the amendments to the House bill, which had been approved by the Finance Committee, and which we sought to attach to the House bill, would have rendered the bill very clear and understandable.

The Senator from Arkansas [Mr. FULBRIGHT] also complained because no lengthy hearings were held by the Finance Committee. Actually, no prolonged hearings were necessary. The reason for that is that the entire industry—all the producers of beet and cane sugar, as well as the refiners—had no objection to the bill. The bill was in the same category as the bill in 1948.

In 1948 the sugar bill was prepared by the industry. All those interested took part in its preparation. After it was prepared, the bill was introduced in the Senate and in the House. It was presented to the respective committees of the two Houses and, after brief hearings, the bill was reported to the Senate and to the House.

The bill was then presented to this body and discussed. As I remember, the only opposition to the bill came from the distinguished Senator from Arkansas who made his usual speech, as he did today, trying to ridicule, in a way, philosophy behind our bill, behind the Sugar Act, including the subsidies which are paid to those who produce sugar in this country.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. Is it not true that at the time the distinguished Senator from Arkansas opposed the sugar bill so strenuously in 1948, and again in 1951, instead of selling at a distress price such as it is at present, the rice crop of his State and other rice-producing States was selling away above parity?

Mr. ELLENDER. I think it was selling at 129 or 132 percent of parity.

Mr. HOLLAND. The distinguished Senator from Arkansas, in pleading with reference to the distressed situation of the rice producers and for the situation in Cuba, has made a completely different argument from that which he asserted with equal vigor and equal enthusiasm in 1948 and 1951. Is that correct?

Mr. ELLENDER. That is correct. As I pointed out a while ago, Cuba is anxious for us to purchase all the sugar she can produce, but when it comes to the purchase of rice from us, Cuba says, "No; we want to produce our own rice." As I indicated a while ago, Cuba's rice production has increased from a 430,000-bag average for the years 1935-39 to around 2,500,000 bags last year. That is why Cuba today is not buying as much rice from the United States as it bought in former years, and to try to pin the blame on our domestic sugar program is simply not being accurate.

I should like to point out also, Mr. President, that Cuba is protecting her domestic rice-producing industry by imposing on the rice we sell to her a duty of \$1.85 per 100 kilograms. It is inevitable that fewer pounds of Cuban sugar would be sold in the United States if we imposed a 2- or 3-cents-a-pound

excise tax upon Cuban sugar imports. I dare say that if we treated Cuban sugar in the same manner that Cuba treats American rice, there would be very much less Cuban sugar sold in this country.

Mr. BENNETT. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. BENNETT. If the Senator from Arkansas had his way and the bill were defeated and Cuba had to sell its sugar on the American market on the world market price, how much money does the Senator think there would be with which to buy rice?

Mr. ELLENDER. The answer is "none."

The point is that we have a State Department which tries to force us to toe the mark in our dealing with Cuba and other foreign countries, but when it comes to protecting our agricultural producers in their dealings with foreign countries, we get no help. As I pointed out awhile ago, under a treaty which now exists, the Cubans gave us a preferential right to supply their rice deficit, but in the past 3 or 4 years the Cuban rice deficit has decreased substantially, and today Cuba is producing half of the rice she consumes.

Mr. President, I quoted some statements made by Representative COOLEY, chairman of the House Committee on Agriculture—the committee which considered the sugar bill. Now, the bill may be complicated to Representative COOLEY; I doubt if he would recognize a stalk of sugarcane if he saw it, because neither sugarcane nor sugar beets are grown in his State. I do not mean to be unkind to the distinguished chairman of the House Agriculture Committee, but I do not believe he was able to grasp the situation in which the sugarcane industry as well as the beet-sugar industry, finds itself today as a result of the fixed quotas that were placed on domestic producers of sugar under the 1948 act.

Mr. President, I should like to point out that the only purpose of the bill which was introduced by me last April—a bill which was cosponsored by 48 Senators—was to grant relief to the domestic producers of sugar from expected increases in sugar consumption, and it was not designed to take away from Cuba any of her fixed quota. If the bill which was introduced by us in the Senate last April had been enacted, Cuba would have obtained this year, in 1955, practically the same amount of sugar quota that she had in 1954.

The Senate bill provided a benchmark of 8,200,000 tons from which to start. This figure represents the approximate amount of sugar consumed in the United States last year. The Secretary of Agriculture's final consumption estimate might have been 50,000 tons more than that, but actual consumption was just a few thousand tons of sugar above 8,200,000. So, for the purposes of our bill, the benchmark was fixed at 8,200,000 tons, thereby assuring Cuba of obtaining this year approximately the same quota that she obtained last year.

What was intended by the bill was to provide an additional quota to the domestic producers of sugar—mainland cane, mainland beet, Puerto Rico and the

Virgin Islands—of 188,000 tons, not to be taken from the quota of Cuba, the Philippines, or any other country or area, but solely out of the anticipated annual increases in the amount of sugar to be consumed in the United States resulting from increases in our population. That annual increase, Mr. President, is estimated to be an additional 135,000 tons of sugar.

Under our original Senate bill, from the first increases in consumption above 8,200,000 tons—increases due, I repeat, to the increasing United States population—the beet area would have received 85,000 tons, the cane area 80,000 tons, Puerto Rico 20,000 tons, and the Virgin Islands 3,000 tons, or a total of 188,000 tons to come out of the increases in consumption over and above the base, or benchmark quota of 8,200,000 tons. Then, Mr. President, after the 188,000 tons had been satisfied, the increased consumption due to increased population was to have been divided, under our original bill, 55 percent to the domestic producers, and 45 percent to the foreign producers, including Cuba. Cuba, as a preferred customer of ours, would have received 96 percent of the 45 percent set aside for foreign countries out of the increased consumption due to increased population; and the full-duty countries, which would include Peru, Mexico, the Dominican Republic, and a few others, would have received the remaining 4 percent of the 45 percent.

The State Department objected to our original bill on the ground that the benchmark—that is, the 8,200,000 tons—was a little too low. Representatives of the State Department appeared before the House Agriculture Committee and suggested that the benchmark be increased to 8,350,000 tons, instead of the 8,200,000 tons, as provided by the original Senate bill. The House Agriculture Committee acceded to the State Department's recommendation.

Instead of accepting the 55-45 proviso which was in the original Senate bill—and which I understand was acceptable to the State Department—the House adopted a formula of its own, whereby instead of dividing the increased consumption due to increased population on a basis of 55 percent for domestic producers and 45 percent for the foreign producers, the distribution of increased consumption was made on a 50-50 basis.

In the division of the 50 percent which was to be allotted to foreign countries, Cuba was allotted from 0 up to 17,000 tons, instead of 96 percent of 45 percent, as was provided in our bill. Of course, the State Department objected to the House committee's formula, and so did the Cubans, quite vociferously.

It will be recalled, Mr. President, that when the Senate bill was introduced, the Cuban lobbyists, Americans who were paid high salaries in this country, began to lambast, with all their might, the Senate bill. They stated that Cuba would be deprived of a large amount of her traditional sugar quota in the United States, and that, if deprived of any of her sugar quota, Cuba would not be able to continue to buy on the United States markets.

Instead of painting the picture as it really existed, the Cuban lobbyists so exaggerated and distorted the situation that neither the House committee nor anyone else believed them. Today, I understand, the Cubans are satisfied with the bill which was reported yesterday by the Senate Committee on Finance.

Mr. President, the House did not pass the sugar bill until late Saturday evening. It did not clear the lower chamber in time to be received in the Senate and referred to the Senate Finance Committee on that day. I did not anticipate, nor do I suppose any other Member anticipated, that the Senator from Arkansas [Mr. FULBRIGHT], or any other Senator would object to the bill's being referred to the Committee on Finance on the same day of its receipt in the Senate. That procedure is followed in this body every day. Under the rules, if a House-passed bill is received today, it must be read twice before being referred to a committee. If any one Senator objects to its being read the second time on the same day it is received, the second reading must be postponed to the following day. On this occasion the Senator from Arkansas—and he was within his rights in doing so—objected to the second reading of the House bill on Monday and insisted instead on having the bill read once on yesterday and the second time today. That was the reason why the Committee on Finance, when it met Monday at 10:30 a. m., did not have the House bill before it. While the bill was before the Senate, it was not referred to the committee because the Senator from Arkansas insisted on the very letter of the rules being followed with respect to this bill. The Committee on Finance had before it only the original Senate bill, which I and 48 other Senators introduced last April.

In any event, Mr. President, both the Senate and House bills were considered by the Senate Finance Committee. The amendments which were made to the language of the House bill, in my humble judgment, satisfied not only the Cubans, but also the State Department in that the base quota, or bench mark was fixed at 8,300,000 tons. Although the State Department has asked that it be set at 8,350,000 tons, I believe they will agree to the 8,300,000 tons placed in the bill by the Senate Finance Committee.

Mr. President, with respect to the division of the increase in the consumption due to increased population, which the bill allocates to foreign producers, we reverted to the formula which was included in the original Senate bill, with one exception, namely, that instead of Cuba getting 96 percent of 45 percent, the Finance Committee bill provides that Cuba shall receive 60 percent of the 45 percent specified for foreign producers, while 40 percent of the 45 percent would be allocated to the full duty countries. That division, as I understand, is now acceptable to the Cubans.

The amendments to the House bill which we sought to present to the Senate today, would have made the House bill simple, practical, and effective. If the amended bill could have been called up, it would have met not only with the

blessing of the entire sugar industry—domestic, as well as offshore foreign producers—but also the American refiners.

I was very much disappointed that my good friend from Arkansas objected to our taking up the bill before adjournment. It is really an emergency measure, Mr. President.

Without the passage of this bill, or without something being done between now and next January, as my colleague, the junior Senator from Louisiana stated a while ago, the sugar producers in Louisiana face a further cut in 1956 which may be as high as 30 percent in the base acreage.

If there had been an increase in sugar cane acreage in Louisiana and Florida since 1948, there might be good reason to criticize our domestic growers and charge expansion, but I wish to say to the Members of the Senate that the mainland sugarcane acreage has remained practically stationary between 1948 and 1953. And in 1954 there was a cut-back totaling 10 percent of the base acreage, and again in 1955 a cut-back of 18 percent. As a result of good weather—that is, rain at the proper time and no early freezes to destroy the sugarcane—our growers have exceeded their quotas for each of the last few years, so that there are now some 230,000 tons of overquota sugar which our producers cannot sell.

The purpose of this year's sugar bill is simply to remedy that situation, in the hope that the 30 percent cut which is in the offing for 1956 can be averted.

I repeat, the bill is not complicated. It is very simple. It does not touch the present law in any respect. It deals primarily and solely with increased consumption due to increased population.

The only problem the bill deals with is an equitable distribution of our constantly increasing consumption of sugar. Instead of letting the entire increase go to foreign countries—with 96 percent going to Cuba, as it has in the past—we simply have asked for something that is quite legitimate, and that is, for our share of the increased American consumption of sugar to be determined by the same standard in effect prior to 1948. What we asked for today, and what we have sought since early this year, is only that which was provided by law prior to 1948. Because the 1948 act did not envision our greatly increased consumption, because the 1948 act did not contemplate the great hardship fixed quotas have imposed on our farmers as a result of higher yields stemming from better methods of cultivation, better varieties of sugarcane and sugarbeets and better sugar extraction, we have only sought to rectify unforeseen injustices and inequities. It was never expected our present domestic quotas would become as burdensome as they now are.

The bill reported by the Finance Committee merely provides that the increased consumption is to be divided between the domestic producers on a fair and equitable basis. That is all the bill does.

I hope that early next year action is taken. As a matter of fact, I have the promise of my good friend from Virginia [Mr. BYRD] to that effect. I talked with

him just a few hours ago, and he promised that early in January he will hold open hearings, as the Senator from Arkansas [Mr. FULBRIGHT] has requested. I hope the Senator from Arkansas sees fit to attend those hearings and to present the facts which he has presented in the Senate today, so that he can be answered by witnesses who are intimately familiar with all phases of the subject.

I am most hopeful that early in January Congress will pass this worthy bill.

It is my belief that by doing so we may still be able to prevent the plowing up of 30 percent of our present sugarcane acreage.

I should like to say that sugarcane is not cultivated from seeds. When an acre of beets is plowed up—hard though that may be on a farmer—all that is lost is the seed, perhaps fertilizer, and the time used in planting and early cultivation. Sugarcane need be planted only every 3 or 4 years. When an acre of sugarcane plants is plowed up, a 3- or 4-year investment is destroyed. Cane plantings worth anywhere from \$75 to \$100 an acre are lost. When first year or second year stubble is plowed up, something of high value is destroyed.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. I just wished to thank the distinguished senior Senator from Louisiana for making such a positive case why the sugar bill should have been passed in this session of the 84th Congress. As relates to the production of sugar cane, it is not a question of a new crop, but a question of several years' development. Therefore, the producer must have knowledge of what his acreage is going to be. Otherwise, he is going to be confronted with the problem of having to plow under a very valuable crop.

I wished to be positive that I would be on record as stating that I am determined to see that producers in the United States shall have their just, proportionate share of the increased consumption of sugar in the United States.

There has been a great increase in the population, and an increase in per capita consumption of sugar. To think we should barter that increased consumption off for the good will of some foreign or off-shore country is just out of the question.

There will be a just, proportionate share for our producers, or I will join the Senator from Louisiana in engaging in a good, lengthy debate on the question right here on the floor of the Senate.

I am not in sympathy with the parliamentary tactics used by the Senator from Arkansas to block the bill from being properly considered and debated on the floor of the Senate, just because he was more concerned about rice acreage in Arkansas.

Mr. ELLENDER. I wish to thank the Senator from Minnesota. I am most hopeful that between now and next January it may be possible to educate our good friend from Arkansas, and to present to him the real facts, the real rea-

son, why Cuba has not been purchasing as much rice from us as she has in the past. It is my hope that all those facts can be clarified in a hearing early next January.

Mr. President, there was only one other difference between the House bill and the Senate bill, and it is related to the length of time that the law was to be effective. The House bill provided for a 4-year extension, and the Senate bill, as well as the amended bill, reported by the Finance Committee, provided for a 6-year extension.

I have stated just about all the major differences between the two bills.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. DWORSHAK. I wish to express the appreciation of the sugar-beet industry of the West for the fine cooperation it has received from the chairman of the Committee on Agriculture and Forestry and for the explanation of the proposed legislation which is currently pending before the Senate.

Likewise, I wish to ask whether it is true that the parliamentary situation in the closing days of the session is such that when charges are made that a hearing was not held by the appropriate Senate committee, and that for some reason or other the Senate was remiss in not passing the House bill, the actual fact is that the long delay by the House in acting on the bill—knowing that in the closing days of the session there probably would be little likelihood for the taking of action on the bill by this body—is primarily responsible, and not any lack of any interest in the Senate, for the failure to enact sugar legislation at this session?

Mr. ELLENDER. The Senator from Idaho is correct when he says there is not a lack of interest in the Senate. In my judgment, failure to pass a bill here stems from House delay on the bill.

Of course it was stated that full and lengthy hearings should have been held by the Finance Committee. The Finance Committee would no doubt have held more hearings had the House acted earlier. Because a tax is involved in sugar legislation, and because tax legislation must originate in the House, the Senate has never taken action on such a bill until the House has acted. If the House had acted a week ago, as we thought the House would—for they said they would bring it to a vote—we would not have had this trouble today. We would have had time for the Finance Committee to hold full hearings, but it was only last Saturday at 6 p. m. that the House voted on the bill. It came to the Senate only yesterday morning. Then, my good friend, the Senator from Arkansas [Mr. FULBRIGHT], objected to the second reading, although it is usual and customary to have the second reading immediately and to refer the bill to committee on the same day it is received from the House. Of course, because of the objection raised by the Senator from Arkansas [Mr. FULBRIGHT], the bill was not sent to the Finance Committee, as would ordinarily have occurred.

But as I said, it is my hope that early next January we can rectify some of the damage which has been done. It is entirely possible that if we pass the bill during early January, let us say, we may be able to prevent the destruction of an additional 30 percent of our sugarcane plantings, to which I referred earlier.

Mr. HOLLAND. Mr. President, I shall not detain the Senate any great length of time.

First, let me express to my good friend, the distinguished senior Senator from Louisiana [Mr. ELLENDER], my thanks and that of the sugar growers of Florida and Louisiana, and that of the sugar-beet producing States, not only for the very fine explanation he has given of this subject, here on the floor, but also for the very fine leadership which he, as the leader of the cane-sugar producing elements on the mainland, has given, not just this year, but also in past years. We are very much indebted to him.

I note also, Mr. President, that the junior Senator from Utah [Mr. BENNETT] is present. These things cannot be handled by any one Member who is interested in a crop of this kind. The junior Senator from Utah served along with the Senator from Louisiana—the Senator from Utah representing the beet-sugar producers and the beet-sugar-producing States. Certainly I would be remiss if I did not express to him my grateful thanks and those of the cane-sugar producers of my State, for the very fine leadership and for the exceedingly hard work he has done in connection with this matter.

Mr. WATKINS. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Florida yield to the Senator from Utah?

Mr. HOLLAND. I yield.

Mr. WATKINS. As a member of the congressional delegation from a State which produces sugar beets, and really was one of the pioneer producers in the United States of this particular product, I wish to be associated with the Senator from Florida in the remarks he has made about the Senator from Louisiana [Mr. ELLENDER], and my colleague from the State of Utah [Mr. BENNETT]. I think these two Members have done a splendid job under very adverse circumstances, and they deserve the gratitude of the American people and, particularly, the people of the States they represent, in connection with this matter. They have worked long and hard to get the bill to the floor, under circumstances which would have discouraged most persons. I want the people and the Senate to know that I greatly appreciate the efforts of the Senator from Louisiana [Mr. ELLENDER] and of my colleague from Utah [Mr. BENNETT].

Mr. HOLLAND. Mr. President, I appreciate the comment of the senior Senator from Utah.

I wish to say that the junior Senator from Utah [Mr. BENNETT] and the senior Senator from Louisiana [Mr. ELLENDER] have had the loyal backing of every Senator from the sugar-producing

States; and all of us are deeply indebted to them.

Mr. President, after a labor of love, beginning way back at the beginning of this session—as is evidenced by the introduction of a bill in April, I believe, with more than half the Members of the Senate sponsoring it—and with continued and almost daily effort by those two Senators and by other Senators whom they chose to ask to be of assistance from time to time, it is too bad when those efforts are not crowned with success, particularly when that situation is because of parliamentary maneuvering to prevent the coming to the floor of a measure which it was not within the power of the leaders in the Senate to bring to the floor of the Senate until the measure had passed the House, inasmuch as constitutionally such a measure, like other revenue-raising measures, must originate in the House.

So, instead of being blamed for not bringing up the measure, and instead of making it possible for any blame to be placed on the junior Senator from Louisiana [Mr. LONG], who, as a member of the Finance Committee, made the motion to bring up this measure, I feel that we are indebted to all of them, and that we can only commiserate with them and with ourselves and with the sugar producers of the Nation that the attitude—which is very difficult for me to understand—of the junior Senator from Arkansas [Mr. FULBRIGHT] has developed here in such a way as to prevent consideration by the Senate of a measure which was approved months ago by a majority of the Senate; and it should be pointed out that those Members have been waiting all this time to be able to act on the bill.

Incidentally, quite a number of Senators who were not cosponsors of the bill are present—ready, willing, and anxious to support the bill.

Of course, the Senator from Arkansas [Mr. FULBRIGHT] was within his technical rights. However, I was interested and intrigued and even a little amused, if I may say so, to note the complete change of front and change of ground taken by my friend, the Senator from Arkansas, in opposing this measure today. I was present on two previous occasions—in 1948 and 1951, when the Senate passed sugar bills; and on both those occasions the junior Senator from Arkansas [Mr. FULBRIGHT] opposed—as he had a right to do—those measures. He opposed them vigorously—just as vigorously and just as vehemently as he opposed the bill today. But I have been intrigued to note the complete change of base that has been adopted by the Senator from Arkansas, because at the time when he was making that gallant fight, in 1948 and in 1951; for what I thought then was a deeply-rooted principle, his rice growers, who today have afforded the reason assigned by him to the Senate for his opposition to this particular bill, happened to be then in the most favorable situation of any agricultural industry in the Nation, and at that time they were receiving well above 100 percent of parity for their product. As a matter of fact, the prices they received then were so attractive that the rice industry

multiplied more than twice during the years when the Indochinese production, the Chinese production, and the Korean production were almost shut off, and when the Burmese production and the Indonesian production were badly affected.

So the Senator from Arkansas [Mr. FULBRIGHT] has now stated as the major reason for his enthusiastic opposition to the sugar bill—and of course it is his right and privilege to oppose it, if he chooses—the fact that the ricegrowers of his State have found a reducing market in Cuba.

Mr. FULBRIGHT. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. No, Mr. President; the Senator from Arkansas declined to yield to me when he had the floor. So until I complete my statement, I shall decline to yield to him, although I shall be glad to yield to him when I complete my statement.

Incidentally, I cannot help expressing regret that the distinguished Senator saw fit to yield neither to the Senator from Louisiana [Mr. ELLENDER] nor to the Senator from Florida, but made the very clear point of denying us privileges which he accorded to other Senators throughout the course of his debate.

Mr. FULBRIGHT. Mr. President, the Senator is incorrect. I yielded to the Senator from Louisiana. I did not realize that the Senator from Florida thought that I would not yield to him. I was interrupted by many Senators.

Mr. HOLLAND. I asked several times to be yielded to, and the Senator from Arkansas—I thought rather pointedly—declined so to do. But that is neither here nor there. Perhaps the Senator from Arkansas realized how greatly he had changed base since his argument in 1948 and his argument of 1951. Perhaps he realized that the causes which were responsible for the bleeding heart of 1948 and 1951 were to be replaced by a completely different argument, a different objective, and a different cause.

I am glad the Senator from Arkansas, particularly at this time, has discovered the present distress of his rice growers. That is not a new subject to the Senator from Florida, who served as a member of the Eastland subcommittee of the Senate Agriculture and Forestry Committee, under the direction of the able Senator from Louisiana, who kept in touch with us throughout our investigation. That subcommittee found that the rice growers of Arkansas were having difficulties, and we went to bat for them, in order to see that they were given an opportunity to move some of their product to Japan, which wanted their product. For some inconceivable reason, and for some considerable period of time the State Department refused to permit the shipment of Arkansas rice to Japan.

We know that the rice growers of Arkansas need help, and we have been trying to give them help. It is indeed discouraging to find that the junior Senator from Arkansas does not realize that others, too, are in distress, and that they are in distress after having greatly cut their acreage, simply because they have improved their methods of production

and are getting a much greater yield per acre from their crops than was the case some years ago.

Sugar growers do not have warehouses where they can go with their product and store it by the payment of a small fee. Sugar growers of my State and of the State of Louisiana—I have not been privileged to examine the situation in the beet-sugar-producing States—have had to build large warehouses at great expense for the temporary purpose of housing great amounts of sugar produced from reduced acreage, which sugar they are not permitted to market under the existing quota system.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield when I am through with my remarks. I hope the Senator will be patient and remain in the Chamber. I shall not be very long.

Mr. FULBRIGHT. The Senator does not intend to yield to me?

Mr. HOLLAND. I shall yield to the Senator from Arkansas, but I shall yield in my own time.

Mr. FULBRIGHT. The Senator does not have to yield at all.

Mr. HOLLAND. My understanding of courtesy is that I should yield, and I will yield, but that is an understanding which the Senator from Arkansas did not seem to have when he had the floor a little while ago. I shall gladly yield, but I wish to lay out the picture as I see it prior to doing so. The obdurate and obstinate attitude of the Senator from Arkansas will probably require sugar producers to put many thousands of additional dollars into the construction of warehouses for which they will have no earthly use as soon as this temporary problem is out of the way, and to plow up sugarcane planted to yield a crop for 3 or 4 or 5 years, depending upon the area where the crop is being produced. A tremendous loss is involved in such an operation.

I noted that the distinguished Senator from Arkansas was inclined to complain because no such treatment as this is given to producers of other commodities, such as cotton and other commodities which he mentioned, all of which are in heavy surplus production.

The production of sugar is comparable to the production of wool. They are the only two great commodities which we produce, about which the Senator from Florida knows, which are produced in a deficit to such a degree that the whole country is interested in seeing that those industries are preserved as domestic industries, so that in the event of war or other military trouble, we shall have necessary quantities of sugar—even if in diminished amounts—available here.

I remember when we were considering the price-support measure last year. Those who favored rigid high price supports and those of us who favored flexible price supports joined together to give some needed recognition to the wool industry. We recognized it as an important industry which should be retained in this country, so that we would have it in the event of a dire emergency.

I remember that the Senate passed, by a very considerable vote, a provision

which would have allowed wool to be produced up to 115 percent of parity, and that in conference the bill came back in the form in which the provision is now stated in the present law, providing that wool could be supported up to 110 percent of parity, in recognition of the fact that the Nation was interested in preserving the wool industry and making it possible for such an industry to continue to exist here as a fine and necessary national asset.

The same situation exists in the case of sugar. For a period of years under Democratic administrations and under Republican administrations, under Democratic majorities in both Houses, and under Republican majorities in both Houses, it has been regarded as a matter of high national importance that the domestic sugar industry be maintained on a sound basis so that it shall not cease to exist.

After years of experience, when the whole Nation, with very few exceptions, seems to have realized that the sugar industry, along with the wool industry, comprises an asset to the Nation which should be preserved, and which Congress should recognize by legislation passed in its behalf—although confessedly it is different from the legislation which was passed in the case of industries which were normally in surplus production—it is disappointing to find that the objection to this measure and to its extension has now become so fixed in certain minds that there is unwillingness to permit the question even to be debated and the bill voted upon on the floor of the Senate. The Senate has had waiting a Senate bill, introduced by a majority of the Senate and supported by vastly more than a majority of the Senate, since last April.

Mr. President, I have almost completed the remarks I intended to make, except with reference to Cuba. It was amusing to hear the Senator from Arkansas talk about the importance of Cuba from the standpoint of its economy and its dealings with his State. In my State the importance of Cuba is very much greater than its importance with respect to other States in the Union, although it is important to other States in the Union. Certainly it is important to Arkansas, but it is far more important to Florida.

Florida is across a few miles of water from Cuba. Florida is Cuba's traditional friend. We have two or three hundred thousand citizens of Cuban ancestry. They are very fine people, and we are proud to have them. Many tourists from Cuba spend great sums of money in our State. They come to enjoy the entertainment which we provide in Florida. Many Cubans have moved over to Florida and brought their fortunes with them, because they have found a stable government there which, at times in the recent past, has not existed in their own home country. We are intensely interested in Cuba, and I believe more so than is the case with any other State. We would not do anything to hurt Cuba or the Cuban economy.

Neither do we propose to continue to take a completely foolish attitude, in view of the developments which have

transpired since the passage of the 1948 Act, as extended in 1951.

Under the provisions of that act, as was so ably stated by the Senator from Louisiana, the whole of the increase in consumption of sugar in the United States was allocated offshore, with none of it being allocated to the domestic industry.

Mr. President, we produce the children, and we produce the grandchildren. I notice that we have been adding to our population at the rate of $2\frac{3}{4}$ million a year. Since the last Act was passed in 1951, the natural increase in population in the United States is greater than the entire population of Cuba. Since the passage of the 1948 act the increase in the population in the United States is almost twice as great as that of the entire population of Cuba.

Mr. President, is there not some semblance of reason in our feeling that we are entitled to produce a little bit of the sugar which our own increase in population, represented very largely by our children and own grandchildren, is responsible for? Is there not some semblance of reason and equity and justice and sound commonsense in that idea?

When the hearings were held in 1948 and in 1951, witnesses made it very clear that they reserved the right to come back and ask for some of that natural increase. That is what we have done under the terms of the pending legislation.

There was a time when I was informed by some of my friends in Cuba—and I am fortunate to have a great many there—and by some friends in the United States who have interests in Cuba—and we all know that a large part of the sugar production in Cuba finds its financing in the United States—that they did not want to share the increased market, of which they had 96 percent in the United States.

However, no later than Saturday, I had a visit from those who are keeping up with the feelings of the Cubans and who are representing them professionally, and they stated that they felt we were within our rights to ask for something like the same proportion of the increase they were receiving of the normal consumption of sugar in this country.

I am happy to say that in committee, as I understand, my distinguished junior colleague [Mr. SMATHERS] offered an amendment to the House bill which made a part of the bill the suggestion of the State Department, which I understand is approved by the Cuban sugar people, and which was mentioned so clearly and so ably by the Senator from Louisiana.

I have not found the Cubans to be unreasonable people. I have found them to be good friends in time of stress. Certainly they stood by us in war, when they supplied us with more and cheaper sugar than we could have gotten otherwise at that time. I found them to be a reasonable people. As reasonable people they have come to the conclusion which all reasonable people must come to, that the United States producers of sugar are entitled to a fair share of the increased annual consumption, or the increased consumption over the years

which represents our growth of population and our growth in the consumption of this very badly needed and very generally used product.

Mr. President, I wish time permitted a fuller statement on the subject. However, it does not. I shall now gladly yield to the distinguished Senator from Arkansas. First, I desired to give him at least the benefit of the trend of my own feelings in the matter, so that he could better address his questions to me. I now very gladly yield to him for such questions as he may desire to ask me.

Mr. FULBRIGHT. Mr. President, the Senator has a reputation for great fairness, integrity, and honesty. I wonder how he explains the fact that for the second time this bill was brought to the Senate and we were asked to act upon a bill which has never received any hearings at all. It is a bill which involves very large sums of money. How can the Senator from Florida justify bringing such a bill before the Senate without any hearings having been held on it?

Mr. HOLLAND. The principal justification is that the advocates of the bill have been trying to get it up since April. They have been prevented from getting it up by the House. Anyone who was reading and listening knew what was going on in the hearings in the House. Certainly the Senator from Arkansas, who is a distinguished member of the Committee on Foreign Relations, knew what were the suggestions and urgings of the State Department and others in connection with this legislation, who were certainly seeing to it that Cuba's interests were taken care of. The Senator from Arkansas knew that the Committee on Agriculture and Forestry, of which the Senator from Louisiana is chairman and I am a member, was doing its best to help the rice growers, and that the committee has done so in no small way.

It seems to me that the Senator from Arkansas, realizing that the changes in the law were very few and very simple and very reasonable, and recognizing that the great sugar farmers had spent many hundreds of thousands of dollars in building unneeded warehouses, and many millions of dollars to plow under crops which would have supplied them with sugarcane for 2 or 3 years in the future, are entitled to action, particularly when they have been waiting for a bill which has been introduced by a majority of the Senate and is supported by, I believe, more than two-thirds of the Senate.

Mr. FULBRIGHT. I believe the junior Senator from Florida is a member of the Committee on Finance.

Mr. HOLLAND. That is correct.

Mr. FULBRIGHT. Is it not rather strange that suddenly the Committee on Finance should call a meeting and report out a bill in an hour and a half, when in 6 months it could not report out a bill after hearings? I should like to have the Senator explain why, since the Senate has been in session since January, the committee did not report out a bill, after hearings, containing some reasonable explanation for the kind of sub-

sidy that is proposed. Why was it necessary to wait until the last day of the session?

Mr. HOLLAND. The Senator from Arkansas—

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. The Senator from Arkansas knows perfectly well that it is a tax measure and that, as a tax measure, it had to originate in the House. Tax measures customarily are not considered in the Senate before we know what the form of the legislation will be as passed by the House.

The proponents also knew that there was a difficult situation involved, because of the attitude of certain Members of the House, which attitude is well known.

It would have been the height of folly, under such a situation, for the Senate to have assumed that it could bring out legislation which would then be adopted by the House under those conditions. Therefore, the legislation had to originate in the House, as the Senator well knows.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. Therefore, there was no more reason for holding hearings on this legislation until we knew what the form of it would be in the House, than there was any reason for the Senate to have brought out a bill when the omnibus corporation tax structure was being set up last year. We knew we had to wait until we had something specific to work on. That is what happened. I think that is reasonable. The Senator from Arkansas knows that is the customary course for such legislation to take. Ever since I have been in the Senate—although I have not been in the Senate as long as the Senator from Arkansas—I have never known of the Senate Committee on Finance to report out a finance bill ahead of consideration and report and enactment of a similar measure by the House. I believe it would be very idle for us to do so.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be happy to yield to the Senator from Louisiana.

Mr. FULBRIGHT. I thought the Senator was yielding to me. If he does not wish to pursue the matter, I shall speak on my own time.

Mr. HOLLAND. I shall be glad to yield to the Senator.

Mr. FULBRIGHT. The Senator does not wish to leave the impression, does he, that the Committee on Finance never holds hearings on a bill until it has been reported by the House? The Senator from Florida does not wish to mislead the Press Gallery, does he, about a matter as simple as that? The Senator knows very well that we often hold hearings on many bills before we know the final result in the House, especially with respect to a bill that has been reported time and time again, and about which there is no mystery.

Mr. HOLLAND. The Senator from Florida does not wish to mislead anyone

about his objective in connection with the position he is taking at this time.

I am taking the same ground I have always taken, whereas the Senator from Arkansas has changed face entirely and has moved away from the position he held in 1948 and 1951 and has taken a new position.

Mr. LONG. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Louisiana.

Mr. LONG. The Finance Committee is one of the most hard working committees of the Senate. It has to consider tax legislation, foreign trade legislation, and many other things. I am sure the Senator from Florida remembers that we had more than a month of hearings on reciprocal trade this year, and passed the most controversial bill passed by the Senate, involving not simply sugar, but the entire foreign trade program. The whole customs program was tied up in the committee. We had a social security bill and untold numbers of bills affecting the rights of veterans in this Nation. With all those subject matters before the committee it is difficult to get all these things scheduled for consideration. We also had under consideration the matter of increasing the debt limit of the United States, which, incidentally, was disposed of in 1 day behind closed doors, when Government witnesses explained the situation.

Mr. HOLLAND. I seem to recall that there was quite a long hearing on the tax bill. That matter was in committee a long time, and then it occupied the floor of the Senate for some time.

Mr. LONG. There was that backlog of legislation, and the chairman of the committee could, in good conscience, tell the other members of the committee who were very much interested in this matter that this measure should wait until it came over from the House.

Mr. HOLLAND. The Senator from Louisiana is correct. And, of course, the Senator from Arkansas knows perfectly well what has transpired. Everyone knows perfectly well that yesterday, for the first time, we were in a position to bring before the Senate a bill which was introduced away back in April. Since the Senator was not on the floor when I made my comment, I wish to say that we are all greatly indebted to him for the great attention he has given the matter.

Mr. President, I yield to the Senator from Utah.

Mr. BENNETT. Mr. President, I appreciate all the kind things the Senator from Florida said when he began his speech. I am grateful, too, to the senior Senator from Arkansas who has graciously stepped aside in order for me to get into the Record the figures which I am presenting. The Senator from Arkansas stated that the cane sugar producers are very efficient.

Based upon figures supplied by the Library of Congress, it is interesting to note that 1 ton of sugar was produced in the beet sugar industry in 1953 in only 4.22 man-days of labor in the field. Florida used 4.32 man-days to produce a ton of sugar, raw value.

The Louisiana figures were a little higher. The inference has been given

out that the Cuban production is much larger than is the beet production. There was a time when that was true, but in the years between, the beet production per acre has been rising while the Cuban production has been falling.

In 1953 the production of sugar, raw pounds per acre average in the beet producing areas was 4,183, and in the same year, in Cuba, the figure was 3,833. Obviously, the difference is not in the efficiency of the system. The difference is in the cost of labor in the two countries.

In the United States the average field worker, beet and cane, in 1953 received \$7.71 for a day's work. In Cuba the worker received \$2.50.

The lowest-paid factory worker in American refineries in 1953 was paid \$11.70 for an 8-hour day. The rate in Cuba was \$4 for an 8-hour day.

I am perfectly willing to agree with the junior Senator from Arkansas that if we are willing to see the American wage standard go down the drain, there is not very much in this world that we cannot import at prices lower than we can produce—

Mr. LONG. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. LONG. The situation makes it possible for Cuba to receive a price far in excess of the world market price. We have recognized the fact that we cannot afford to see that happen, and we do not want it to happen. So we make provision to help our neighbors in Cuba sell their sugar at a price in excess of what we would have to buy it for—

Mr. BENNETT. Mr. President, I am under an obligation to the Senator from Arkansas, and I do not want to prolong my part in the discussion.

Mr. FULBRIGHT. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. FULBRIGHT. Is the Senator saying that American workmen are so inefficient that they cannot compete with other nations of the world and they must have this artificial protection?

Mr. BENNETT. I am saying that to the extent the junior Senator from Arkansas regards our sugar industry as inefficient, he must go to the difference in wage scales to support it.

Mr. FULBRIGHT. Is the Senator saying that our people who are paid more are no more productive, or that they are less efficient? I have always assumed that our country is more productive, that it works more efficiently. I had never assumed that we are so far behind other countries that we have to be protected by artificial barriers.

Mr. BENNETT. I am sorry I cannot yield further, because I have agreed with my colleague not to prolong the discussion.

The junior Senator from Arkansas said that under the Sugar Act the American producer, over the life of the act, had reached a figure of \$1,099,000,000.

It is interesting to note that because we give Cuba a preferential duty, under the same act we have donated to Cuba out of the Treasury, in terms of this preferential tariff, a little over \$2 billion—

Mr. FULBRIGHT. Will the Senator repeat that last statement?

Mr. BENNETT. Over the life of the act, because we give Cuba 50 cents a ton preferential treatment over any other offshore produced sugar, it has amounted to \$2 billion.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. WATKINS. I understood the distinguished Senator to say something about the Smoot-Hawley Act and the fact that pioneers in the early days started the production of sugar—

Mr. BENNETT. They started the production of cane sugar before they attempted to produce beet sugar, but that was one of the first beet-sugar-producing areas in the country, having imported their machinery from France before it was made in the United States.

Mr. WATKINS. Is it not also true that, as an overall national policy, a strong sugar industry should be developed in this country, so as to prevent the very thing which has happened with respect to rubber? The international rubber cartels levy tributes on the United States when they sell their rubber to us.

We should have a sugar industry in the United States which is vigorous, strong, and productive, so as to protect us against any combination of international groups which might try to hold us up on the question of price, which is so essential in the case of sugar.

Mr. BENNETT. I think that is true. There is no time tonight to have a lengthy discussion of the International Sugar Agreement and other related matters.

I am grateful to the Senator from Arkansas, and I appreciate his courtesy in yielding me time in which to speak.

ADJUSTMENT IN LANDS FOR RESERVOIR PROJECTS IN TEXAS

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Morning business has been concluded, and the Chair lays before the Senate the unfinished business, which the clerk will state by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7195) to provide for adjustments in the lands or interests therein for reservoir projects in Texas by the reconveyance of certain lands or interests therein to the former owners thereof.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1955—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2391) to amend the Defense Production Act of 1950, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The report will be read for the information of the Senate.

Accordingly, on the 27th of this month, I wired the two other members of the Board, Dr. Harry Curtis and Dr. Raymond Paty, members of the Board, and asked them the same questions. I ask unanimous consent to have printed in the RECORD at this point both of those telegrams, which are dated July 27, since I do not wish to take time to read them.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., July 27, 1955.

DR. HARRY CURTIS,
Member, Board of Directors,
Knoxville, Tenn.:

In view of Senate Appropriations Committee's action in refusing by a vote of 13 to 10 to approve TVA's proposed construction of additional power units at Johnsonville, John Sevier, and Gallatin out of proceeds from power operations of funds otherwise available at an estimated cost of \$144,500,000 as per wire Chairman of your Board July 2, please advise whether it is your intention to proceed with the construction of such units notwithstanding the action taken by the Senate Appropriations Committee. Please advise me promptly.

JOHN L. MCCLELLAN,
United States Senator.

WASHINGTON, D. C., July 27, 1955.

DR. RAYMOND PATY,
Member, Board of Directors,
Knoxville, Tenn.:

In view of Senate Appropriations Committee's action in refusing by a vote of 13 to 10 to approve TVA's proposed construction of additional power units at Johnsonville, John Sevier, and Gallatin out of proceeds from power operations or funds otherwise available at an estimated cost of \$144,500,000 as per wire Chairman of your Board July 2, please advise whether it is your intention to proceed with the construction of such units notwithstanding the action taken by Senate Appropriations Committee. Please advise me promptly.

JOHN L. MCCLELLAN,
United States Senator.

Mr. MCCLELLAN. I made the same inquiry of the other members of the board that I made of General Vogel, the chairman.

Although I had sent wires separately to each member, on July 28 I received a joint reply, which reads as follows:

KNOXVILLE, TENN., July 28, 1955.

HON. JOHN L. MCCLELLAN,
United States Senate,
Washington, D. C.:

Reurtel July 27, the situation is unchanged since General Vogel's July 14 telegram to you.

HARRY A. CURTIS,
RAYMOND R. PATY,
Directors.

Again, that was no answer to my inquiry. I had asked them for a specific answer as to what their intention was, and whether they were going to respect or ignore and disregard the action of the Appropriations Committee of this body. Accordingly, I wired them on July 28 as follows:

WASHINGTON, D. C., July 28, 1955.

HARRY A. CURTIS,
RAYMOND R. PATY,
Directors, TVA,
Knoxville, Tenn.:

Reurtel today, you have not answered my inquiry. What I want to know is whether you, each of you, as a member of the board of directors of TVA, intend to ignore and disregard the action of the Senate Appropriations Committee and proceed with the con-

struction of the steam-power units to which my telegram of yesterday referred. It has been some time now since the Senate Appropriations Committee's action. Certainly you have had time to consider whether you will proceed, notwithstanding that action, or if you intend to respect it. Congress is still in session, and I will appreciate your giving me the information I have requested before it adjourns. I await your further reply.

JOHN L. MCCLELLAN,
United States Senator.

Mr. President, on July 29, I received the following reply, a joint reply from the other two members of the Board, Mr. Curtis and Mr. Paty:

Re your telegram July 28, the TVA Board of Directors has not made any decision in this matter and neither of us has reached a conclusion as an individual. When a decision has been reached, we shall be glad to advise you.

HARRY A. CURTIS,
RAYMOND R. PATY,
Directors.

Mr. President, we are going to have to face this issue. I cannot get an answer from the Board as to what it intends to do.

I remember that in the Appropriations Committee, I heard it stated that if the committee failed to give its approval, of course the TVA would not spend the money. I heard that statement made at that time. But now I am not so sure. Where is our responsibility? I know I cannot get the resolution agreed to tonight, and cannot get it considered by unanimous consent. But even with the burden of other work I have had, I have been trying to find out about this matter, so the Senate could know whether the action of its Appropriations Committee would be respected, or whether the TVA Board of Directors would proceed to obligate \$144,500,000 to build these units, without getting specific approval from the Congress of the United States.

For that reason I am offering this resolution, to have it lie on the table, because I wish to serve notice that if the Board presumes to proceed to obligate \$144,500,000 of the American taxpayers' money, in the face of the refusal of the appropriate committee of this branch of Congress to give its approval, then it is time for us to take a broad, overall look at the authority of the Board, which seems to have said, "We will disregard your action if you do not give your consent."

After all, Mr. President, everything, all natural resources in the TVA have been developed by using the money of the taxpayers from all over the Nation, to the tune of over \$2 billion and more. If any Senator wishes to have a project constructed in his State, he has to obtain the approval of the Appropriations Committee. Time and time again, Senators request of the Appropriations Committee an appropriation of \$100,000 or \$200,000 for a small project, and such Senators are told that the money will not be appropriated because the item is not included in the budget.

But in this case we find that the directors propose to make commitments for the expenditure of the \$144 million, notwithstanding the action of the Appropriations Committee's disapproval. It is money of the taxpayers; it is revenue

from moneys invested by all taxpayers of the Nation. No Senator can obtain such treatment for a project for his State. He must secure a congressional appropriation for his project.

I say the time has come for the TVA Board to come before the congressional committees—just as the representatives of all other communities must do except the TVA, have to come before the congressional committees—and obtain approval of the expenditures for capital investment which they propose to make.

Mr. FULBRIGHT. Mr. President—
The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Arkansas yield to his colleague?

Mr. MCCLELLAN. I am happy to yield to my distinguished colleague.

Mr. FULBRIGHT. I should like to ask a question: If this principle persists, then is it not true that there will be no limit to the expenditures which may be made by the TVA Board in the future, without congressional approval?

Mr. MCCLELLAN. Absolutely so; and in that event, all the proceeds it receives from this huge investment, that the taxpayers have made there—or all of it except the amount required for the necessary operating expenses—the Board perhaps will continue to use indefinitely, to build steamplants for the benefit of one area of the country; and, under such a procedure the Congress would be unable to make an equitable distribution of the general revenues through all the communities of the country. That is the situation we face.

Mr. FULBRIGHT. The fact that approval of the expenditure was included in the bill as it came to the committee is evidence, is it not, that heretofore it has been customary for approval to be granted?

Mr. MCCLELLAN. I am sure it has been customary since the time they began to build additional steam units which were not necessary to firm up the hydroelectric power of TVA—I think the original intent was that the hydroelectric power should be firm up; and they were given authority to build steamplants for that purpose. But now they have reached the saturation point, and I do not think what is now being done is fair or just. It discriminates against every other community in the country to have that Board refuse to put into the Treasury the revenues which belong to all the taxpayers, but, instead, to spend them according to their own wishes, without regard to what the Congressional appropriation committees may say about the matter.

Mr. FULBRIGHT. It seems to me that is clear evidence that it is time that the policy of permitting the investment of the revenues without the making of appropriations should be reviewed. Does not the Senator agree?

Mr. MCCLELLAN. I would say so, and I intend to try to get it reviewed. I may say that I have been trying to get this information. Everyone knows that the committee of which I have the honor to be chairman has been rather completely occupied with work during the last few days. I have been completely engaged in other public business. Nevertheless, I have been trying to obtain a

committal—merely a statement of “yes” or “no”—so that the Congress may know from the members of the board who have been entrusted with this power what they intend to do. I told them I wanted the information for the Senate. But despite the action the Senate Appropriations Committee has taken, they decline to say whether they will exercise the power the Senate Appropriation Committee disapproved.

Mr. FULBRIGHT. Is it not rather strange that the board has found that it does not need any power to supply Memphis, since Memphis is going to build its own powerplant, although they need a million kilowatt-hours in their system, requiring \$144 million to produce it?

Mr. McCLELLAN. Yes. If Memphis should build a 500,000-kilowatt or 600,000-kilowatt plant, what is this power for? I will tell you what it is for, Mr. President. It is to build steam plants there, with the taxpayers' money, and with no interest paid on it. That money then goes back into the capital assets, and then the power can be sold, and it is cheaper than power which can be produced anywhere else by private enterprise, and that means that factories will be built there, instead of in other States, because industry can obtain that cheap power, which is being provided by the use of the money belonging to all the taxpayers of the Nation.

If that is any Senator's idea of justice and equity to his State, it is not my idea of justice and equity to my State.

So I think we have to face this issue.

I am not so sure that under the Constitution the Federal Government has authority or power to use general revenues to build a powerplant in one particular area or community of the country, simply to help that community or area meet its power loads. If so, Mr. President, if there is that authority, if that authority is vested in the Government, under the Constitution, then I ask my colleagues, are not they interested in having the Federal Government use general-revenue funds to build some powerplants in their States, where there is a power shortage today, and to build them on the same terms, so that their communities may be in the same favorable position to compete for private enterprise and private industry as is the TVA? With that in mind, I think we should know whether the Federal Government has such power. There is only one way to find out, and that is to let the highest court of the land finally decide the question.

I do not know the answer tonight. I do not believe the Federal Government has such power. Some of my distinguished friends across the aisle and some on this side of the aisle may think it has such authority. If it has, I should like to know it, because hereafter when bills come before us, appropriating funds to build steam plants in TVA or in Kalamazoo, for that matter, I want a little rider to provide for the construction of a steam plant in Arkansas. I want my constituents to have equity and justice, and not be discriminated against.

PURCHASE OF SUGAR IN CONTINENTAL UNITED STATES BY COMMODITY CREDIT CORPORATION

Mr. LONG. Mr. President, I send forward a Senate resolution, and ask unanimous consent for its immediate consideration.

Mr. KNOWLAND. Mr. President, reserving the right to object—and I have no desire to object—I believe we should have a quorum call, in view of the fact that there are no printed copies of the resolution available.

Mr. LONG. Very well. If the Senator will withhold his suggestion of the absence of a quorum for a moment, I should like to explain that I have discussed the resolution with all Senators who I know are particularly interested in it. The resolution involves the Sugar Act. I have discussed the resolution with the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Illinois [Mr. DOUGLAS], who have objected to the bill passed by the House.

This is not a bill. It is a resolution expressing the sense of the Senate with regard to certain emergency measures which the Commodity Credit Corporation might take to relieve the situation during the time when Congress is not in session.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. MORSE. Does the Senator from Louisiana agree with me that his resolution offers about the only possible method by which we can be of help in this session of Congress to the sugar growers in our respective States, in view of the parliamentary situation in which we find ourselves?

Mr. LONG. The parliamentary situation being what it is, I believe that about the only assistance we could give to the sugar producers of the Nation would be the type which could be accomplished more or less by unanimous consent. I have been seeking to obtain an agreement with respect to this resolution, which I believe would lead to some aid being accorded to the sugar producers during the period when Congress is not in session.

Mr. MORSE. That would enable us in January, in a regular session of Congress, without a suspension of the rules, to consider so-called beet-sugar legislation, of which I happen to be one of the cosponsors, with the Senator from Louisiana.

Mr. LONG. This resolution would relieve hardship with respect to sugar producers who have a large surplus on their hands. It would provide some interim relief, if the Commodity Credit Corporation should see fit to follow the recommendations of the Senate as proposed in this resolution.

Mr. MORSE. Mr. President, will the Senator further yield?

Mr. LONG. I yield.

Mr. MORSE. I think it is a fair and equitable approach the Senator is making. Although I am as eager as he is to obtain action on sugar legislation, I must say for the RECORD, as one who believes

that our regular parliamentary procedure in the Senate should be protected, that in view of the fact that we find ourselves in a parliamentary situation in which there would have to be a suspension of the rules, I do not think it would be wise to suspend the rules and make an exception in one case merely because it would be to our advantage to have such an exception.

I wish to commend the Senator from Louisiana for the purport of this resolution, because I think this is a fair and equitable approach. However, I must agree with the Senator from Arkansas [Mr. FULBRIGHT] on the question of protecting the regular parliamentary procedure of the Senate, because if we should begin making exceptions we would get ourselves into a situation in which, whenever any one of us had some particular legislation which would be of special benefit to some economic group in his State, the tendency would be to try to obtain a suspension of the rules. I think the exceptions would become so numerous that no rules, in fact, would be left for application to the Senate.

I think the Senator is to be commended for the approach he is now making.

Mr. LONG. I thank the Senator.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. FULBRIGHT. I wish to say that the Senator from Louisiana has discussed this question with me. I have no doubt that the Commodity Credit Corporation, under the direction of the Secretary of Agriculture, has the authority to purchase this sugar. I do not object to this resolution, nor do I object to the purpose of it, namely, the purchase of 100,000 tons of sugar.

I can only say that I do not agree that the sugar growers are in any dire necessity. They are really the aristocrats of all farmers in the country, and have the most satisfactory support program or subsidy program of any group.

I congratulate both Senators from Louisiana on the wonderful job they have done through the years to provide extra special benefits for sugar producers.

I am in agreement with the Senator's resolution.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SCOTT in the chair). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. KNOWLAND. Mr. President, before the Senate takes up the resolution of the Senator from Louisiana, I should like to ask the acting majority leader whether he knows if the conference report on the Washington transit bill is in a condition to be acted on?

Mr. FULBRIGHT. I am informed that it is being drafted. It is not quite ready for action.

Mr. KNOWLAND. I wonder whether the distinguished Senator from Oregon [Mr. MORSE] can give an estimate of when the conference report will be available to the Senate.

Mr. MORSE. I am advised by members of the staff that the report is being drafted into final form, and will be presented to the House at about 8:30 p. m. I believe the drafting of the report is just being finished. We agreed to let the House take it up first, before it is presented to the Senate.

Mr. KNOWLAND. I wonder whether the acting majority leader can give me further advice. A number of Senators have come to the Chamber from dinner, and I am sure they would like to be advised about the program for the remainder of the evening. I inquire particularly with respect to the conference report on the legislative appropriation bill. Can the acting majority leader tell me when that is likely to be called up?

Mr. FULBRIGHT. The Senator from Kentucky has just entered the Chamber.

Mr. CLEMENTS. Mr. President, I regret I was not in the Chamber when the Senator from California asked his questions.

Mr. KNOWLAND. Mr. President, I will say to the distinguished acting majority leader that we have had a quorum call because the Senator from Louisiana [Mr. LONG] submitted a resolution relating to a certain phase of the sugar situation. It is perfectly agreeable; I know of no opposition to it on this side of the aisle, and I do not know of any opposition from any Senator, so far as I have been advised.

In view of the fact that the resolution has not been printed, I thought Senators were entitled to be put on notice that a new matter was to be called up.

While the distinguished acting majority leader is in the chamber I should like to inquire of him when we may expect the conference report on the transit bill. I understand the conferees have agreed on the report. The distinguished Senator from Oregon [Mr. MORSE] indicated that the staff thought it would be ready for the House to act on it at 8:30 tonight, which should be at about this time.

Mr. CLEMENTS. I may say to my friend from California it is my information that the staff is drafting it now. As soon as it has been drafted and in final form and acted upon by the House, it will be immediately brought before the Senate.

Mr. KNOWLAND. The next question relates to the legislative appropriation bill, and the conference report on it. The distinguished acting majority leader is chairman of the conference committee. When does he estimate the conference report will be called up in the Senate?

Mr. CLEMENTS. It is my opinion it will be presented to the Senate within 30 minutes, or soon thereafter if there is an opportunity for the chairman of the conference committee to be recognized at that time.

There is no disagreement on the legislative appropriation bill. I believe it is well to say to the Senate at this time that the position which the Senate conferees took on the bill was eventually sustained by action of the House. The House acted on the items which the House conferees wished to put in the conference report. When the House did that, of course we had no further objection. I do not believe there will be any reason for any Member of the Senate to object, inasmuch as the procedure we followed is in accordance with tradition through the years.

My distinguished friend from California, who became a member of the conference committee when the distinguished Senator from New Hampshire was unable to meet with the conferees today, will agree, I am sure, that the position the Senate took yesterday, which the Senate took on Saturday, and which the Senate took on Friday, was sustained in conference today.

Mr. KNOWLAND. Yes; I agree with the Senator. I believe the position was a sound one, and I hope the precedent will be reestablished over the years so far as the procedure involved is concerned, particularly as it relates to the subject of comity between the two Houses.

Mr. CLEMENTS. If I may go a little further, I should like to say that even the House conferees, I believe, feel a little better about the procedure they followed today than they would have felt if they had pursued the course which they suggested over the weekend.

Mr. KNOWLAND. I believe the House conferees were very agreeable about the matter today.

Mr. CLEMENTS. They were not only agreeable, but I think they were also thoroughly understanding of the Senate's position, and understanding of the fact that the Senate conferees were acting not only on the basis of precedent and tradition, but were also acting under the specific rules laid down for conferees of the Senate.

Mr. KNOWLAND. As the distinguished Senator says, we felt we had taken a sound position in refusing to add in conference new material which had not been acted upon first by the body which desired it.

Mr. CLEMENTS. May I say, by either body?

Mr. KNOWLAND. That is correct.

Another matter which was the subject of some colloquy between a number of Senators on the floor when the legislative bill was before the Senate, and of considerable discussion elsewhere, was that relating to the press, radio, and periodical galleries. There are some practical problems involved in that matter which I think we all appreciate; but I was hopeful that perhaps prior to the time the legislative appropriation bill was finally acted upon, some way might be found through a joint resolution, to take care of the problem, in order to bring about some equity as between the galleries of the House and the Senate. The only way I know an approach might be found—and it might

take a good deal of effort on both sides of the aisle—would be through a joint resolution adopted at the time of the action on the legislative bill, hoping it would not be too late for the House to give some consideration to it.

I hope the distinguished chairman of the Appropriations Committee will explore that matter further if it can be done without upsetting the balance.

Mr. CLEMENTS. As the Senator said, on last Thursday, I believe, there was a colloquy on the floor participated in by the distinguished minority leader, the Senator from New Hampshire [Mr. BRIDGES], and myself, in which was discussed this very matter of relative pay scales between the two bodies. A request was made of the committee this afternoon that some changes be made in the bill which would provide for the Senate galleries comparable pay for the same services rendered by the House galleries. We could not do that, because that is exactly the same principle which was involved in our other difference with the House. It would involve the question of putting new material into the bill in conference.

Mr. KNOWLAND. I am sure that all the conferees on our side agree that we could not in good conscience recommend action on our part which we felt was inadvisable on the part of Members of the House.

Mr. CLEMENTS. The Senator is absolutely correct. Since that time there has been some work done by the Appropriations Committee staff in comparing various pay scales between the radio galleries of the House and Senate, and it is not unlikely that during the evening, and after the final passage of the legislative appropriation bill, there will be a resolution submitted to the Senate. I have every reason to believe it will be in ample time for the House to act on it if they so desire, should the Senate confirm the recommendations.

Mr. KNOWLAND. I wish to thank the distinguished Senator for his constructive effort in trying to find a solution of this difficult problem. The reason why I raised it on the floor was because I wanted Senators to be advised of what we have in mind.

I think inquiry has been made of the acting majority leader, my good friend from Kentucky, whether action may be expected on the executive pay bill this evening. I understand the Senate committee reported one version and the House committee reported another version, House bill 7619. The Senate bill is S. 2628. From a practical point of view, as I understand, if any executive pay bill is to be acted upon, it will more likely be in the nature of the House bill, although, if the measure were to go to conference, perhaps all after the title might be stricken and sent to conference, or because of the lateness of the hour, the Senate might have to take up the House bill in lieu of the Senate bill for such discussion and debate and amendment as the Senate in its wisdom might determine. It might expedite the matter in view of the lateness of the session. But, I wanted Senators to be on notice if such a bill were to be called up, so they

might be available to proceed with its discussion.

Mr. CLEMENTS. Let me say to my distinguished friend the minority leader that the executive pay bill is under discussion. There has been no opportunity during the day to take it up without laying other matters aside which had been here a much longer time. Certainly, if and when it is taken up, the practical plan would be to take up the House bill, for the simple reason that should it be amended, there is a possibility that the House will accept any amendment that the Senate may incorporate, and there will be no need to go to conference.

Mr. KNOWLAND. May I ask my distinguished friend whether any other bills of major importance of which he knows are likely to be called this evening.

Mr. CLEMENTS. I ask the Presiding Officer if some measures from the Committee on Post Office and Civil Service have been sent to the desk. I ask the Chair if he will ascertain from the clerk if there are 3 or 4 bills involving matters pertaining to the civil service, one of which involves a change in fee from one to three dollars.

The PRESIDING OFFICER. That measure has been referred to the Committee on Foreign Relations.

Mr. CLEMENTS. Are not the House bills at the desk?

The PRESIDING OFFICER. Two of them have been referred to the Committee on Post Office and Civil Service.

Mr. CLEMENTS. Do I understand that only the executive pay bill and the legislative conference report are at the desk at the present time?

The PRESIDING OFFICER. That is correct.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. CARLSON. I appreciate the comments between the acting majority leader and the minority leader in regard to the executive pay bill. I assure the acting majority leader that so far as I am concerned, as one of the authors of the Senate bill, together with the chairman of the Committee on Post Office and Civil Service, the distinguished senior Senator from South Carolina [Mr. JOHNSTON], we shall be glad, I am certain, to cooperate with the acting majority leader and accept the House bill and have it acted on at the earliest possible time. I sincerely hope it may be called up early this evening.

Mr. CLEMENTS. Do I understand correctly that although the Senate Committee on Post Office and Civil Service gave some study and consideration to the Senate bill, there is considerable difference between the House and the Senate versions, and the Senate committee is now in a position to accept the House bill without an amendment?

Mr. CARLSON. I should much prefer the Senate bill. In fact, I think it contains several provisions which are better than those of the House bill. But, under the circumstances of the legislative situation, I shall suggest and recommend to the Senate that the House bill be accepted, in order to have action taken at this session.

Mr. THYE. Mr. President, when does

the acting majority leader expect the conference report on the legislative bill and also on the executive pay bill to be taken up?

Mr. CLEMENTS. Just as soon as some of the staff complete a table which involves the resolution about which the Senator from California [Mr. KNOWLAND] and I had a colloquy a few minutes ago.

Mr. THYE. Is that the matter which the Senator from Kentucky said would require 30 or 40 minutes?

Mr. CLEMENTS. I said about 10 minutes ago that it would require 30 or 40 minutes.

Mr. KNOWLAND. Mr. President, in fairness to the junior Senator from Louisiana, my recollection is that I asked him to yield the floor for a quorum call, so as to develop a quorum, at least to notify Senators prior to taking up the resolution which the Senator from Louisiana wishes to submit. He yielded, as I understood, with that understanding; but then a colloquy developed between the acting majority leader and the minority leader, and I fear that in the shuffle the junior Senator from Louisiana lost the floor which he had been so gracious to yield for the purpose of a quorum call.

I do not wish to foreclose the senior Senator from Utah [Mr. WATKINS]; he will have ample opportunity to obtain the floor. I did not want to take the junior Senator from Louisiana off his feet precipitately, since obviously he had the floor at the time he yielded to me for the purpose of suggesting the absence of a quorum, with the understanding that he would not lose the floor.

Mr. WATKINS. Mr. President, I am interested in the same matter in which the junior Senator from Louisiana is interested. I am perfectly willing to yield, that he may proceed with his resolution, provided I do not lose my right to the floor.

PURCHASE OF SUGAR IN CONTINENTAL UNITED STATES BY COMMODITY CREDIT CORPORATION

Mr. LONG (for himself, Mr. ELLENDER, Mr. HOLLAND, Mr. SMATHERS, and Mr. DWORSHAK) submitted the following resolution (S. Res. 147):

Whereas H. R. 7030, entitled "An act to amend and extend the Sugar Act of 1948, as amended, and for other purposes," now pending in the Senate, contains provisions added by section 19 thereof, directing the Commodity Credit Corporation to carry out loans, purchases, or other operations with respect to 100,000 short tons of sugar produced from the 1955 or previous crops in the continental United States sugar-producing areas, in order to alleviate the conditions which exist in such areas by reason of the quantities of surplus over quota sugar produced therein; and

Whereas it appears that H. R. 7030 may not be enacted during the current session of the Congress: Therefore, be it

Resolved, That it is the sense of the Senate that the Commodity Credit Corporation should take the action referred to in section 19 of H. R. 7030, so far as practicable in accordance with the procedures therein set forth during the calendar year 1955 in order to help alleviate the inventory situation in the continental United States sugar-producing areas.

Mr. LONG. I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LONG. Mr. President, for the information of the Senate, I shall read section 19 of H. R. 7030, which has been before the Senate this evening. Senate Resolution 147 urges certain stopgap relief for the sugar industry:

SEC. 19. A new section 414 is added to such act as follows:

"Sec. 414. (a) To alleviate the conditions which exist in the continental United States sugar-producing areas by reason of the quantities of surplus overquota sugar produced in such areas, the Commodity Credit Corporation shall carry out loans, purchases, or other operations with respect to 100,000 short tons of sugar produced from the 1955 or previous crops in such areas.

"(b) Sugar acquired hereunder shall be disposed of outside the continental United States in such manner as the Corporation determines will not unduly interfere with normal marketings of sugar, including dispositions under the Agriculture Trade Development and Assistance Act of 1954, as amended.

"(c) No borrower shall be personally liable for any deficiency arising from the sale of the sugar securing any loan made under authority of this section, unless such loan was obtained through fraudulent representations by the borrower. This provision shall not, however, be construed to prevent Commodity Credit Corporation from requiring the borrower to assume liability for deficiencies in the quality or quantity of sugar delivered under the loan, for failure to properly care for and preserve such sugar, or for failure or refusal to deliver the sugar in accordance with the requirements of the program.

"(d) Sugar acquired hereunder shall not be subject to the provisions of title II of this act."

Title II is, of course, the Sugar Act of 1948.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. FULBRIGHT. Does the Senator from Louisiana know whether or not the Secretary of Agriculture approves the resolution?

Mr. LONG. The Secretary of Agriculture has testified that he has no objection to this provision of H. R. 7030. He states that he believes he has the authority to carry out the provisions of the section; however, he has never told us that he would do so. The resolution would urge him to take stopgap action during 1955, after Congress has adjourned.

The PRESIDING OFFICER. The question is on agreeing to the resolution offered by the Senator from Louisiana, for himself and on behalf of other Senators.

The resolution (S. Res. 147) was agreed to.

AMENDMENT OF THE BOULDER CANYON PROJECT READJUSTMENT ACT

Mr. WATKINS. Mr. President, I introduce a bill for appropriate reference. I realize that it is late in the session

Jan. 17 1916

15. SMALL BUSINESS. Select Committee on Small Business submitted its sixth annual report (S. Rept. 1368). p. 306
 16. FAO. Sen. Bricker submitted an amendment he intends to propose to S. J. Res. 97 to amend laws providing for U. S. membership and participation in FAO, and authorizing appropriations therefor. p. 317
 17. SUGAR. Sen. Magnuson submitted amendments he intends to propose to H. P. 7030 to amend and extend the Sugar Act of 1948. p. 317
 18. FORESTS; MINING. Sen. Neuberger criticized the Dept. of Interior for issuing mining patents to Al Sarena Mining Co., and inserted two newspaper editorials on the matter. p. 327
 19. LIVESTOCK; PRICES. Sen. Humphrey inserted his recent letter to Secretary requesting more determined action in bolstering livestock prices, and discussed this matter with several other Senators. p. 337
 20. RECLAMATION. Sen. Watkins spoke in support of the Colorado reclamation project. p. 364
 21. RESEARCH; CONSERVATION. In supporting health research, Sen. Smith, Me., compared the amount of money spent on this item with the amount spent on agricultural research and ACP payments. p. 373
 22. ADJOURNED until Mon., Jan. 16, when the calendar is to be read. pp. 379, 364
- ITEMS IN APPENDIX
23. ATOMIC ENERGY. Sen. Butler inserted his address on the peacetime application of atomic energy and its affect on agriculture. p. A169
 24. FOREIGN TRADE. Rep. Teague inserted an address by Mr. Fleming, Jr. before the Texas A & M College urging favorable consideration of a free trade policy and American leadership in foreign trade. p. A173
 25. EDUCATION. Extension of remarks by Rep. Mason urging careful consideration of a program of Federal aid to schools and announcing his opposition to such a program. p. A182
Rep. Bolling inserted an address by Dr. McGrath, President of Kansas City University supporting Federal aid to education. p. A194
 26. ELECTRIFICATION. Rep. Radwan inserted a newspaper editorial criticizing the delay in the construction of the Niagara power facilities. p. A181
 27. NATURAL RESOURCES. Extension of remarks by Rep. Van Zandt defending the Administration against charges alleging a "giveaway" of the Nation's natural resources. p. A183
 28. POSTAL SERVICE. Sen. Scott inserted an address by Sen. Johnston, in which he suggested a complete review of the Post Office Department and the postal service. p. A187
Extension of remarks by Rep. Betts urging favorable consideration of H. P. 3655, to extend rural mail delivery to the homes of all persons living on improved highways. p. A193

29. TEXTILES. Sen. Lehman inserted a newspaper article discussing the Japanese textile industry and the problems which the industry creates for the American textile manufacturer. p. A189
30. MINERALS. Sen. Goldwater inserted a resolution of the Western Governor's Mining Advisory Council urging Congress to consider legislation to make America self-sufficient in strategic minerals. p. A194
31. FOREIGN AID. Rep. Donovan inserted newspaper articles suggesting that the American foreign aid program should be reexamined to meet the new challenge of Russian expansion. p. A193
32. FAMILY FARM. Rep. Quigley inserted a newspaper article discussing the alleged economic plight of the small farmer. p. A194
Sen. Langer inserted a radio report of the Farmers Union Grain Terminal Association announcing a projected trip by representatives of the association to Washington, D. C. p. A227
33. TAXATION. Extension of remarks by Rep. Fisher urging decreased expenditures in the Federal government and tax relief. p. A214
Extension of remarks by Rep. Reed urging favorable consideration of tax relief for the farmer by exempting the farmer from the excise tax on gasoline used on the farm. p. A255
34. FARM PROGRAM. Sen. Wiley inserted an address by Mr. Bullis, in which he noted the paradox of American agricultural surplus in view of the world's starving people, and commending the proposed soil bank plan. p. A216
Rep. Quigley inserted an address by Gov. Leader, Pa., in which he criticized the Administration's farm program. p. A238
Rep. Harvey inserted a newspaper editorial commending Sen. Capehart's farm proposals and urging consideration of the soil bank plan. p. A279
Rep. St. George inserted an article by Dr. DeGraff supporting the flexible price support system and commending the Administration's farm program. p. A285
35. WATER RESOURCES. Sen. McClellan inserted an address by Gen. Holle, explaining the need for a sound and broad flood control program. p. A220
Rep. Boggs inserted a statement by Mr. Zetzmann commending the flood control and water conservation activities of Federal and local governments in Mississippi River Valley. p. A297
36. HIGHWAYS. Sen. Bush inserted a magazine article discussing the need for a larger highway system in America and the various pending proposals to accomplish that purpose. p. A272
37. RECLAMATION. Sen. Bennett inserted newspaper articles favorable to the proposed Upper Colorado reclamation project. p. A259
38. DISASTER RELIEF. Extension of remarks of Rep. Patterson favoring enactment of legislation to provide broader relief from natural disasters. p. A228
Rep. Cretella inserted Christian Science Monitor editorial favoring disaster insurance program. p. A282

H. R. 7030

IN THE SENATE OF THE UNITED STATES

JANUARY 12, 1956

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. MAGNUSON to the bill
(H. R. 7030) to amend and extend the Sugar Act of 1948,
as amended, and for other purposes, viz:

1 Page 3, line 3, after "SEC. 6." insert "(a)".

2 Page 4, after line 10, insert the following new sub-
3 section:

4 “(b) The Secretary of Agriculture is authorized and
5 directed to set aside, out of the increases provided by the
6 amendment made by this section in the quota for domestic
7 beet sugar, a reasonable amount to be used as a reserve for
8 establishing or adjusting proportionate shares for farms on
9 reclamation projects on which new acreage suitable for
10 production of sugar beets has been made available.”

AMENDMENTS

Intended to be proposed by Mr. MAGNUSON to the bill (H. R. 7030), to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

JANUARY 12, 1956

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Section 1 of the bill is amended to read as follows:

Section 2 of the bill is amended to read as follows:

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued January 27, 1956
For actions of January 26, 1956
84th-2nd, No. 13

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HIGHLIGHTS: Senate committee favorably reported nomination of Marvin L. McLain to be Assistant Secretary and member of CCC Board. Senate received committee report on bill to amend and extend Sugar Act. Sen. Humphrey discussed problems facing agriculture, and criticized USDA pork-buying program. House received conference report on bill to increase authorization for disaster loans of Small Business Act. House committee reported bill to relieve farmers of excise tax on gasoline. Rep. Quigley suggested using land under soil-bank plan to grow trees for newsprint. Rep. Philbin urged using surplus powdered milk for casein. Rep. Dixon introduced and discussed bills to expand Farmers Home Administration loan program.

HOUSE

1. DISASTER LOANS. Received the conference report on H. R. 7871, to increase the disaster loan authorization of the Small Business Act of 1953. The bill provides for an increase in the disaster loan authorization to \$125,000,000 and extends the term of disaster loans from 10 years to 20 years (H. Rept. 1685). pp. 1214, D61
2. TAXATION. The Ways and Means Committee reported without amendment H. R. 8780, to provide for relief from Federal excise taxes on gasoline used for farm purposes (H. Rept. 1684). pp. 1226, 1233
3. RESEARCH. Received the annual report of the National Science Foundation (H. Doc. 319). pp. 1208, 1139
4. ACREAGE ALLOTMENTS. Rep. Hoffman urged consideration of a bill to protect farmers from penalties incurred when grains grown in excess of allotments are used for feed. p. 1215

Rep. St. George urged favorable consideration of H. R. 8751, to permit farmers to use grains raised on their farms for feed. p. 1215

5. SOIL BANK. Rep. Quigley suggested using land which would be reserved under the soil bank proposals for forest reserves to alleviate the newsprint shortage. p. 1229
6. CROP INSURANCE. Received from this Department the annual report of FCIC. p. 1232
7. FLOOD CONTROL. Received from the Conn. Legislature a memorial urging a program of flood control and hurricane protection; to Public Works Committee. p. 1234
8. RECLAMATION. The Aspinall subcommittee of the Interior and Insular Affairs Committee ordered favorably reported to the full committee with amendment H. R. 1779, to provide for the construction, operation, and maintenance of the Juniper division of the Upinitia project, Ore., and S. 1194, to provide for the construction of the Red Willow Dam and Reservoir, Febr. p. 1260
9. LEGISLATIVE PROGRAM. The Majority Leader announced that H. R. 8760, to provide for farmer relief on excise taxes on gasoline used on the farm, would be considered, under suspension of the rules, on either Mon., Jan. 30 or Tues., Jan. 31. p. 1215
10. ADJOURNED until Mon., Jan. 30. pp. 1226, 1232

SENATE

11. HEALTH. Both Houses received the President's message on the Administration's health program. pp. 1139, 1208
12. DISASTER AID. Received a memorial from the Conn. General Assembly urging Congress to aid in a program of flood control and hurricane protection. p. 1140
13. PERSONNEL. The Rules and Administration Committee reported with amendment S. Res. 153 extending the time for an investigation of the administration of the civil-service system and the postal service (S. Rept. 1457); and S. Res. 154 extending the time for a study of the Government employees security program (S. Rept. 1458). p. 1140
14. SUGAR. The Finance Committee reported with amendment H. R. 7030 to amend and extend the Sugar Act of 1948. p. 1140
15. HOUSING. Sen. Sparkman submitted and commented on the annual report of the Subcommittee on Housing of the Banking and Currency Committee entitled, "Review of Federal Housing Programs" (S. Rept. 1448). p. 1141
16. WEATHER. Sen. Ellender asked and received consent to have printed a report submitted by the Agriculture and Commerce Depts. on steps taken to improve and extend the horticultural and agricultural weather forecasting service (S. Doc. 97). p. 1145
17. NOMINATION. The Agriculture and Forestry Committee reported the nomination of Marvin L. McLain to be Assistant Secretary of Agriculture and member of the CCC Board of Directors. p. 1158

EXTENSION OF SUGAR ACT OF 1948

JANUARY 26 (legislative day, JANUARY 16, 1956).—Ordered to be printed with an illustration

Mr. BYRD, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 7030]

The Committee on Finance, to whom was referred the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

MAJOR PROVISIONS

The accompanying bill reenacts and extends for 6 years, to December 31, 1962, the Sugar Act of 1948, as amended, with further amendments dealing primarily with adjustments of quotas intended to restore to domestic producers their historic share in the growth of the United States sugar market and to revise the participation by foreign suppliers in this market. The present act, in the absence of any action by the Congress, would expire December 31, 1956.

The bill also extends for 6 years, to June 30, 1963, the excise tax on sugar in the Internal Revenue Code. The revenues from this tax exceed costs to the Government under the Sugar Act.

This legislation's major effect is to open the way for United States domestic producers to participate with foreign areas in supplying the growth of the United States sugar market.

Consumers' requirements of sugar in the United States last year amounted to 8.4 million short tons. The current determination of consumers' requirements for 1956 is 8,350,000 tons. The United States needs now are supplied 53.7 percent from domestic areas (consisting of 22 mainland States producing beets, and 2 mainland States, Hawaii, Puerto Rico, and the Virgin Islands, producing sugarcane); 33.1 percent from Cuba; 11.8 percent from the Philippines; and 1.4 percent from other foreign countries (including the Dominican Republic, Mexico, El Salvador, Haiti, Nicaragua, Peru, and all others).

The present pattern of supplies is brought about by the provisions of the Sugar Act that assign fixed quotas amounting to 4,444,000 short tons, raw value, for the domestic producing areas, and 952,000 short tons, commercial weight, to the Philippines; and give to Cuba 96 percent, and to all foreign countries 4 percent, of the remaining portion of the United States market.

This bill maintains unchanged the participation of the domestic areas and of the foreign suppliers as a group in the present level (8,350,000 tons) of consumption requirements for the United States market.

But this legislation would open the way for United States producers to participate in the larger market constantly being created by the growth of our consumption of sugar, and to a lesser extent other foreign suppliers would enjoy a part of this expanding market along with Cuba, in the following manner:

The amount of the increase in our market above 8,350,000 short tons, raw value, would be apportioned 55 percent to domestic producing areas and 45 percent to the foreign suppliers.

Of the future increases apportioned to domestic areas, the first 165,000 tons will be supplied by the mainland areas where the surplus situation is most acute. The next 20,000 tons will be supplied by Puerto Rico which needs continued growth and thereafter 3,000 tons will be supplied by the Virgin Islands. Subsequent increases will be divided proportionately among the domestic areas. The quota for Puerto Rico was increased 170,000 tons, or nearly 19 percent, and the quota for the Virgin Islands increased 6,000 tons, or 100 percent, in the 1951 extension of the act which became effective in 1953.

Under the present act Cuba supplies 96 percent of the increasing requirements of the United States market. Under the amendments it will supply 96 percent of the increased imports from foreign countries during 1956 and thereafter will supply approximately 75 percent of our increasing import requirements. The quota for the Republic of the Philippines remains at the level established in the Philippine Trade Act during the life of this extension. The share of imports to be supplied by other foreign countries will be materially increased under the amendments provided for in this bill.

Table A shows the effects of the proposed amendments on the quotas and prorations for domestic and foreign areas on the assumption that our sugar requirements will continue to grow at the rate of 135,000 tons per year. Table B shows the 1955 basic quotas and the percentage increase each year and for the entire period in the annual quota for each area.

TABLE A.—*Sugar quotas and prorations: Amended H. R. 7030 as reported by Senate Committee on Finance, under assumed requirements, 1956-62*

[Short tons, raw value]

	1956	1957	1958	1959	1960	1961	1962
Assumed requirements.....	8,535,000	8,670,000	8,805,000	8,940,000	9,075,000	9,210,000	9,345,000
Domestic areas.....	4,545,750	4,620,000	4,694,250	4,768,500	4,842,750	4,917,000	4,991,250
Beet.....	1,852,401	1,884,975	1,910,307	1,940,523	1,970,739	2,000,955	2,031,171
Mainland cane.....	549,349	580,025	587,820	597,118	606,415	615,733	625,011
Hawaii.....	1,052,000	1,052,000	1,066,138	1,083,001	1,099,865	1,116,728	1,133,591
Puerto Rico.....	1,080,000	1,091,000	1,114,783	1,132,416	1,150,049	1,167,681	1,185,314
Virgin Islands.....	12,000	12,000	15,202	15,442	15,682	15,923	16,163
Foreign areas.....	3,989,250	4,050,000	4,110,750	4,171,500	4,232,250	4,293,000	4,353,750
Philippines ¹	980,000	980,000	980,000	980,000	980,000	980,000	980,000
Cuba.....	2,888,880	2,917,120	2,962,750	3,008,380	3,054,010	3,099,640	3,145,270
"Full duty" countries.....	120,370	152,880	168,000	183,120	198,240	213,360	228,480
Dominican Republic.....	29,892	35,880	36,528	39,228	41,928	44,628	47,328
Mexico.....	12,394	24,059	36,591	41,991	47,391	52,791	58,191
Nicaragua.....	8,472	10,318	9,746	10,298	10,849	11,401	11,952
Peru.....	56,224	62,863	66,254	71,654	77,054	82,454	87,854
Haiti.....	2,892	4,379	4,136	4,370	4,604	4,838	5,072
Costa Rica.....	² (1,084)	3,439	3,248	3,432	3,616	3,800	3,984
Formosa.....	² (1,114)	3,439	3,248	3,432	3,616	3,800	3,984
Netherlands.....	² (1,123)	3,439	3,248	3,432	3,616	3,800	3,984
Panama.....	² (1,114)	3,439	3,248	3,432	3,616	3,800	3,984
Belgium.....	² (182)	209	225	238	251	263	276
British Guiana.....	² (85)	98	106	111	117	123	129
Canada.....	² (631)	723	780	824	868	912	956
Hong Kong.....	² (3)	3	4	4	4	4	4
United Kingdom.....	² (516)	592	638	674	710	746	782
El Salvador ³	4,478						

¹ Philippine quota for 1956 is 980,000 tons, may vary slightly in subsequent years.² Average 1953-54 charges. These countries do not have specific prorations under the present law. These entries are made within the proration for unspecified countries which amounts to 6,018 tons when requirements are 8,535,000 tons.³ No entries since 1949.

TABLE B.—*Sugar quotas and prorations: Amended H. R. 7030 as reported by Senate Committee on Finance, under assumed requirements, 1956-62*

[1955 basic quotas and percentage increase in quotas each year from previous year, 1955-62]

	1955 basic quotas	1956	1957	1958	1959	1960	1961	1962	1955 to 1962
	Tons	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Assumed requirements.....	8,400,000	1.6	1.6	1.6	1.5	1.5	-0.5	1.5	11.2
Domestic areas.....	4,444,000	2.3	1.6	1.6	1.6	1.6	1.5	1.5	12.3
Beet.....	1,800,000	2.9	1.8	1.3	1.6	1.6	1.5	1.5	12.8
Mainland cane.....	500,000	9.9	5.6	1.3	1.6	1.6	1.5	1.5	25.0
Hawaii.....	1,052,000			1.3	1.6	1.6	1.5	1.5	7.8
Puerto Rico.....	1,080,000		1.0	2.2	1.6	1.6	1.5	1.5	9.8
Virgin Islands.....	12,000			26.7	1.6	1.6	1.5	1.5	34.7
Foreign areas.....	3,956,000	.8	1.5	1.5	1.5	1.5	1.4	1.4	10.1
Philippines.....	977,000	0							0
Cuba.....	2,859,840	1.0	1.0	1.6	1.5	1.5	1.5	1.5	10.0
Full-duty countries.....	119,160	1.0	27.0	9.9	9.0	8.3	7.6	7.1	91.7
Dominican Republic.....	29,591	¹ 1.0	20.0	1.8	7.4	6.9	6.4	6.0	¹ 59.9
Mexico.....	12,269	¹ 1.0	94.1	52.1	14.8	12.9	11.4	10.2	¹ 374.3
Nicaragua.....	8,387	¹ 1.0	21.8	-5.6	5.7	5.4	5.1	4.8	¹ 42.5
Peru.....	55,658	¹ 1.0	11.8	5.4	8.2	7.5	7.0	6.5	¹ 57.8
Haiti.....	2,863	¹ 1.0	51.4	-5.6	5.7	5.4	5.1	4.8	¹ 77.2
Costa Rica.....	² (1,084)	(3)	(3)	-5.6	5.7	5.4	5.1	4.8	⁴ 267.5
Formosa.....	² (1,114)	(3)	(3)	-5.6	5.7	5.4	5.1	4.8	⁴ 257.6
Netherlands.....	² (1,123)	(3)	(3)	-5.6	5.7	5.4	5.1	4.8	⁴ 254.8
Panama.....	² (1,114)	(3)	(3)	-5.6	5.7	5.4	5.1	4.8	⁴ 257.6
Belgium.....	² (182)	(3)	(3)	7.7	5.8	5.5	4.8	4.9	⁴ 51.6
British Guiana.....	² (85)	(3)	(3)	8.2	4.7	5.4	5.1	4.9	⁴ 51.8
Canada.....	² (631)	(3)	(3)	7.9	5.6	5.3	5.1	4.8	⁴ 51.5
Hong Kong.....	² (3)	(3)	(3)	33.3					⁴ 33.3
United Kingdom.....	² (516)	(3)	(3)	7.8	5.6	5.3	5.1	4.8	⁴ 51.6

¹ Increase over 1955 basic quotas before prorations of deficit.² No specific prorations 1955. amount shown is 1953-54 average entries.³ No specific prorations 1955 or 1956.⁴ Increase over 1953-54 average entries.

The committee has not included in the bill any specific directive for the distribution to individual producers within the various domestic areas of any additional quotas that may become available. The authority of the Secretary and his obligation to make equitable distribution and to protect the interests of new producers, small producers and tenants as set forth in subsection 302 (b) of the act appear to be sufficient, particularly since no suggested change in that subsection has been offered. An amendment was presented during the hearings which would have directed special treatment to those farms on reclamation projects on which any acreage suitable for sugar beet production has been made available. The record shows that the acreage of all growers in both the domestic cane and sugar beet areas has been substantially cut back and objection was registered with the committee to the provisions of the proposed amendment. The inclusion of the proposed directive would have substantially altered existing provisions of the act and the administrative machinery that has been developed for the making of an equitable distribution of acreage to all interested parties. The committee believes that any setting aside or earmarking of acreage for any special group or area is not in the interest of equitable or effective administration of the law, and that it is highly undesirable to change the terms of the present law, or its administration to accord special treatment to any group of growers or type of land.

Foreign countries which fail by a substantial margin to supply sugar to this market in years when the world price is higher than our domes-

tic price are subject to quota curtailment in future years, unless the failure results from crop disaster or force majeure or unless the Secretary finds that such curtailment is unwarranted.

Provisions of the Sugar Act which limit the entry of direct-consumption sugar within quotas of both foreign and offshore domestic areas would be varied slightly to permit an increase in such allocations for the offshore domestic areas and to permit those foreign countries which have relatively small quotas the convenience of shipping either raw or refined sugar to this market.

The method of prorating deficits would be changed slightly to insure that increases which domestic areas receive through market participation but which they are not able to fill shall first be prorated to other domestic areas, rather than to Cuba and the other domestic areas, as is the case under the present act. In the event a domestic area is unable to fill a proration of a deficit assigned to it which results from increased quota due to market participation, the unfilled portion also would be apportioned to other domestic areas unless no such area is able to supply the required quantity in which case it would be added to the quota of Cuba.

There are other amendments in the bill which deal with technical and administrative matters. These are discussed in detail in the analysis of the bill which appears later in this report.

GENERAL STATEMENT

Participation by United States sugar producers in the future market growth in this country does no more than restore to them the status they had under sugar-quota legislation prior to World War II.

In the Sugar Act of 1948, quotas for the domestic areas were limited to fixed quantities in order to assist Cuba in making the transition from wartime to peacetime conditions by assigning to her virtually all of the increases in the United States sugar market. It was recognized at the time that the change was of a temporary nature and that at the appropriate time the domestic areas should resume participation in market growth.

The committee is of the opinion that 1956 is the appropriate time in view of the fact that all of the domestic areas are producing at or above their quota levels even though successively more stringent production controls have been imposed in several of those areas.

Additional quotas granted to foreign countries are in line with our national policy of broadening our trade relations. Cuba retains its status as our largest foreign supplier by a wide margin and also retains a larger share in our market growth than any other area.

A number of other Latin American countries receive quota increases which are large proportionally to their marketings heretofore, but which are small in relation to our total imports.

Cuba's marketings in the United States will not increase as much as had been anticipated in 1956, under the provisions of this bill, because of participation by the domestic areas in market increases beginning that year. Cuba's share will also reflect the increases beginning in 1957 in the shares of the market assigned to other foreign countries.

The actual tonnage of sugar which Cuba will market in the United States is expected to increase, substantially, however, from year to

year because of the anticipated continuation of increases in our sugar consumption.

NATIONAL POLICY

For many years it has been the policy of the United States Government for defense and strategic reasons to preserve within the United States the ability to produce a portion of our sugar requirements. This has been done because sugar is an essential and vital food product needed by American consumers, the supply of which on a world-wide scale has been marked by periods of alternating scarcity and surplus.

A large portion of the world's sugar production is grown in tropical countries with essentially one-crop economies, where cheap labor is abundantly available. An additional large portion is distributed among the majority of the countries of the world which, like the United States, provide protection to their sugar industries. In these circumstances, it is unlikely that a significant amount of sugar would be grown in the continental United States if American producers had to compete on the open world market with sugar produced with cheap tropical labor. This can be readily seen from chart 1 which shows a comparison of wage rates of sugar-cane and sugar-beet workers for the sugar-producing areas of the United States and for a number of other sugar-producing countries.

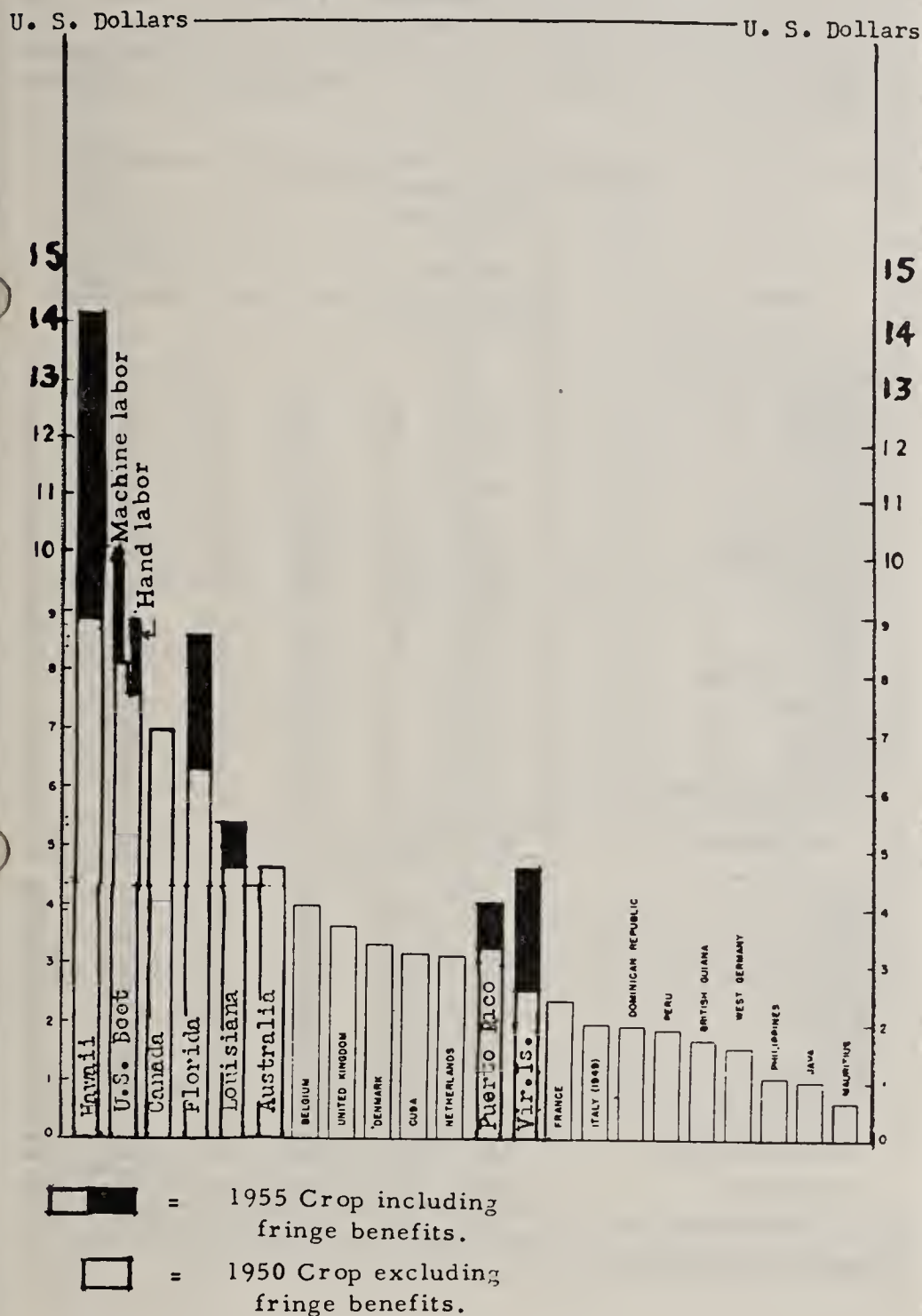
For many years, protection was afforded to our sugar producers solely through the tariff. Although the tariff did assist domestic producers, it still left them exposed to the price fluctuations of the world sugar market. It also increased the price of sugar to consumers in the United States without assuring them of adequate foreign sources of supply in case of emergencies.

A quota system which prorated domestic consumption among producers in the United States and a number of foreign countries was developed and enacted into law in 1934. The quota system was revised in 1937 and again in the present act which became effective in 1948 and was amended in 1951, effective as of January 1, 1953. Since initiation of the quota system, the tariff on sugar has been reduced 75 percent and now represents only supplementary protection to the sugar industry.

A tax of 0.5 cent per pound is imposed on sugar manufactured or imported into the United States. Payments are made to domestic producers of sugarcane or sugar beets at a rate which ranges from 80 cents per 100 pounds of recoverable sugar produced on small farms to as little as 30 cents per 100 pounds of production in excess of 30,000 tons of sugar on large farms. To qualify for payments under the program, producers must comply with production restrictions, pay fair wages to workers, and not employ child labor and, if they are also processors, pay fair prices for sugarcane or sugar beets. Income to the Government from the tax on sugar has been very substantially in excess of the amount disbursed as payments to domestic growers during each of the years under the program. In recent years the income from the excise and import compensating tax has exceeded \$80 million annually, while payments to growers and administration expenses have approximated \$65 million. In the last 18 years there has been a net return to the Treasury of over \$300 million in the difference between collections on the sugar excise tax and the costs of the Sugar Act program.

CHART 1

SUGAR BEETS AND SUGAR CANE DAILY EARNINGS OF HARVEST WORKERS



World sugar situation

World sugar production reached a record level of about 47 million tons during 1954-55 despite the fact that production was rigidly controlled in Cuba and most areas of the United States. By comparison, a century ago production had been less than 2 million tons and in 1900 it was only 13 million tons. During the period just before and after World War II it was about 33 million tons. Production of centrifugal sugar, which now accounts for all but about 7 million tons of the total, is shown by countries for recent years in table C.

TABLE C.—*Centrifugal sugar (raw value): Production in specified countries, averages 1935-39, 1945-49, annual 1951-54*¹

[1,000 short tons]

Continent and country	Averages		1951	1952	1953	1954
	1935-39	1945-49				
North American (cane and beet):						
British Honduras.....	1	1	3	4	3	5
Canada.....	76	99	133	160	131	133
Costa Rica.....	9	20	33	34	38	35
El Salvador.....	17	27	31	32	36	36
Guatemala.....	19	33	33	44	46	48
Honduras.....	2	1	7	10	11	11
Mexico.....	353	636	807	911	960	1,041
Nicaragua.....	9	21	35	38	38	44
Panama.....	5	11	21	20	21	19
United States (beet).....	1,517	1,514	1,549	1,505	1,816	2,043
United States (cane).....	474	455	419	605	630	555
Hawaii.....	980	861	1,020	1,099	1,077	1,127
Puerto Rico.....	982	1,143	1,360	1,182	² 1,204	² 1,166
Virgin Islands.....	6	6	12	14	10	10
Antigua.....	22	25	38	36	14	22
Barbados.....	114	121	176	169	184	169
Cuba.....	3,183	5,898	7,964	² 5,687	² 5,391	² 4,994
Dominican Republic.....	491	509	648	668	699	673
Grenada.....	1	1	2	1	1	1
Guadalupe.....	60	48	106	96	114	123
Haiti.....	44	49	64	63	46	58
Jamaica.....	119	235	299	370	407	444
Martinique.....	64	29	42	60	78	87
St. Kitts.....	36	40	57	58	56	55
St. Lucia and St. Vincent.....	11	12	14	16	14	17
Trinidad and Tobago.....	149	144	154	171	193	216
Total, North America.....	8,744	11,939	15,027	13,053	13,218	13,132
Western Europe (beet):						
Austria.....	196	46	175	146	197	229
Belgium.....	259	246	293	356	450	382
Denmark.....	260	266	394	295	425	243
Finland.....	13	14	23	22	40	41
France.....	1,078	823	1,395	1,100	1,804	1,860
Germany, Western.....	610	524	1,169	990	1,552	1,438
Ireland.....	89	95	100	102	143	111
Italy.....	414	331	825	820	861	968
Netherlands.....	261	270	386	478	504	465
Spain ³	202	200	366	669	380	327
Sweden.....	340	311	⁴ 323	⁴ 267	⁴ 388	⁴ 335
Switzerland.....	13	28	33	32	36	37
United Kingdom.....	515	612	753	686	860	699
Yugoslavia.....	103	127	256	61	211	161
Total, Western Europe.....	4,353	3,893	6,491	6,024	7,857	7,296
Total, Eastern Europe.....	2,925	2,055	3,095	2,290	3,600	3,205
Total, Europe.....	7,278	5,948	9,586	8,314	11,457	10,501
U. S. S. R. (Europe and Asia) (beet).....	2,761	1,643	2,700	2,500	2,700	2,500

See footnotes at end of table, p. 9.

TABLE C.—*Centrifugal sugar (raw value): Production in specified countries, averages 1935-39, 1945-49, annual 1951-54*¹—Continued

[1,000 short tons]						
Continent and country	Averages		1951	1952	1953	1954
	1935-39	1945-49				
Asia (heet and cane):						
Afghanistan (beet).....			5	4	6	7
Burma.....	27	10	17	25	26	25
China, including Manchuria ²	87	77	72	96	86	132
India.....	1,303	1,319	1,900	1,686	1,320	2,000
Indochina.....	77	11	7	4	3	3
Indonesia.....	1,207	102	472	637	683	787
Iran (heet).....	23	41	85	87	86	76
Japan (heet).....	46	11	31	38	48	49
Pakistan.....	33	34	83	95	91	117
Philippines, Repuhlic of.....	1,058	382	1,076	1,134	1,435	1,371
Ryukyu Islands.....	32	0	1	4	6	5
Syria (beet).....	0	0	2	7	9	9
Taiwan (Formosa).....	1,240	346	597	983	796	832
Thailand.....	21	28	37	40	40	44
Turkey (beet).....	76	131	228	200	213	215
Total, Asia (excluding U. S. S. R.).....	5,230	2,492	4,613	5,040	4,849	5,672
South America (cane):						
Argentina.....	510	654	760	654	829	908
Bolivia.....	1	2	3	7	6	9
Brazil.....	830	1,420	1,857	2,151	2,328	2,479
British Guiana.....	210	198	272	269	268	288
Colombia.....	51	135	178	218	251	304
Ecuador.....	24	44	53	64	62	58
Paraguay.....	6	16	33	25	16	19
Peru.....	444	485	528	675	688	725
Surinam.....	15	5	7	8	6	6
Uruguay ³	2	3	11	19	25	37
Venezuela.....	22	41	70	80	110	130
Total, South America.....	2,115	3,003	3,772	4,170	4,589	4,963
Africa (cane):						
Angola.....	37	50	54	56	57	50
Belgian Congo.....	14	17	17	18	20	20
British East Africa.....	63	88	88	92	73	86
Egypt.....	166	211	208	252	295	330
Madagascar.....	16	14	17	19	20	20
Madeira and Azore Islands ⁴	9	9	11	11	11	11
Mauritius.....	320	351	535	517	566	551
Mozambique.....	81	86	92	104	99	104
Reunion.....	91	81	142	174	189	200
Union of South Africa.....	498	542	533	670	725	828
Total, Africa.....	1,295	1,449	1,697	1,913	2,055	2,200
Oceania (cane):						
Australia.....	894	830	809	1,027	1,357	1,437
Fiji.....	150	131	146	183	229	137
Pacific Islands.....	69	0	0	0	0	0
Total Oceania.....	1,113	961	955	1,210	1,586	1,574
World total (cane).....	16,763	18,053	24,008	23,366	23,931	24,945
World total (beet).....	11,773	9,382	14,342	12,834	16,523	15,597
World total (heet and cane).....	28,536	27,435	38,350	36,200	40,454	40,542

¹ Centrifugal sugar, as distinguished from noncentrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade.

Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year, except in certain cane-sugar-producing countries in the Southern Hemisphere, such as Australia, Argentina, Mauritius, Union of South Africa, etc., where the season begins in May or June of the year shown.

² Restricted crop.

³ Includes a small amount of cane sugar.

⁴ Including sugar from Danish beets processed in Sweden.

⁵ Includes both cane and beet sugar.

Source: Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of agricultural attachés and other United States representatives abroad, results of office research and other information. Estimates of countries having boundary changes have been adjusted to postwar boundaries.

The remarkable increase in production long ago removed sugar from the category of luxury food items and made it one of the cheapest of all foods on a caloric basis. Postwar increases in production have brought the world market price down to the present low level of about 3.25 cents per pound.

Production has been stimulated by special incentives in the way of subsidies, tariffs, and other programs designed to make most of the countries of the world partially or wholly self-sufficient with respect to sugar production. In those tropical areas where sugar is produced in large quantities for export, the absence of other opportunities for utilizing labor has tended to promote ever-increasing production through low wages. Because of these situations, falling prices have not had the familiar effect of curtailing production. In a similar way, consumption on a per capita basis has not tended to rise significantly in response to price declines. This is so because of high retail prices for sugar in many countries resulting from consumption taxes and other devices which insulate the retail price of sugar in those countries from the free world market price.

In most of the countries of the world, the price of sugar to consumers is from 2 to 17 cents per pound above the world market level.

The International Sugar Agreement negotiated in London during 1953 has as one of its objectives the promotion of sugar consumption through the removal of excessive taxation and other consumption retarding devices and the discouragement of undue protectionism.

The long-term effect of the agreement in this respect may be very helpful and in the meantime world consumption has been rising at a quite remarkable rate in response to population growth and improving economic conditions.

The International Sugar Agreement is also designed to gear production of sugar destined for sale in the world market to demand in that market. Nevertheless, the outlook is the same as it has been in the past: chronic production in excess of demand during non-emergency periods alternating with unsatisfiable demand during emergency or wartime periods.

Prior to the war, our domestic production fluctuated considerably and averaged about 4 million tons, a level it first had attained in 1933. During the war, and particularly in the latter stages, our national policy was to encourage other crops to a greater extent than sugar beets. Because of this situation coupled with labor and supply shortages resulting from the war, as well as direct war activities, production declined in each of the domestic areas, except the mainland cane area and averaged about 3.5 million tons. Since the enactment of the Sugar Act of 1948, production has risen in each of the domestic areas and for the period has averaged about 4.5 million tons. In 1954 it totaled 4.9 million tons and is estimated to have been about 4.7 million tons in 1955.

HISTORICAL DEVELOPMENTS

The first tariff on sugar was imposed in 1789 to provide revenue for this country in the early years of its independence. During the major part of the 19th century, when import duties and domestic excise taxes were the chief source of Government receipts, the sugar tariff yielded close to 20 percent of our import duties.

The revenue tariff, incidentally, provided protection to the sugar industry in Louisiana after that area became a United States Territory

in 1803. Hawaii also received the benefit of tariff protection under the Reciprocal Treaty of 1875 negotiated with the then Kingdom of Hawaii. Following a short experiment during the years between 1890 and 1894, with sugar on the free list and with a 2-cent-per-pound bounty on domestically produced sugar, the tariff was reenacted strictly as a protective device for the domestic industry.

After the Spanish-American War, our new possessions, Puerto Rico and the Philippines, received the benefit of tariff protection and a preferred tariff status was granted to Cuba. Production expanded rapidly in all three areas and also in the mainland sugar beet area which had developed in the latter part of the 19th century, but which grew rapidly in the early years of the present century.

During the protective-tariff period, our sugar industry experienced alternating periods of prosperity and depression. But by 1933 it had become clear that the tariff system alone would no longer adequately protect the domestic industry. Moreover, it had brought Cuba, our principal foreign supplier, to economic and political chaos. Sugar prices in Cuba that year declined to a small fraction of the 2-cent-per-pound tariff. Cuba was no longer a major market for American goods. Mainland sugar producers could not get "fair exchange value" for their sugar crops.

Under the present quota system, the tariff is a supplementary means of protection and has been reduced progressively from a rate of 2 cents per pound of Cuban sugar in 1934 to the present rate of 0.5 cent per pound.

Congress in 1934 enacted the Jones-Costigan Act, which restricted the supply of sugar in the United States market to a total quantity determined each year by the Secretary. Market shares for the mainland beet and the cane areas were established in the act largely on the basis of production during the 2 preceding years. The Secretary was given discretionary power to determine which 3 years during the 9-year period, 1925-33, would serve "as the most representative" years to form the basis for the quotas of each of the offshore areas. For most of the areas he chose the period 1931-33, and for Hawaii the period 1930-32. The act also provided for a processing tax on sugar and for benefit payments to domestic growers as well as for control of domestic production and imports.

The Sugar Act of 1937 established each area's share of the market on the basis of percentages which were about the same as those developed through experience under the 1934 act. As a group, the domestic areas received 55.59 percent of total domestic requirements and were guaranteed a minimum quota of 3,750,000 tons. Cuba's percentage was 28.60; the full-duty countries, 0.40; and the Republic of the Philippines, 15.41, with a guaranteed minimum quota for the latter country of 952,000 tons of sugar, commercial weight.

The act provided for an excise tax at the rate of one-half cent per pound of sugar and also provided for payments to domestic growers on the condition that marketings were kept within individual proportionate shares of the quota; that they paid fair wages and employed no child labor, and that those who were also processors paid fair prices for sugarcane or sugar beets.

After suspension of quotas during the war years, the Sugar Act of 1948 was enacted with a number of changes designed to meet the problems of the postwar transitional period. This committee empha-

sized in its report at that time that the act was to be regarded in that light and not as the establishment of long-term national sugar policy.

The domestic areas were given fixed tonnage quotas which were roughly equivalent to the percentage shares they had received under the 1937 act. The Republic of the Philippines, whose sugar industry had been demolished during the war, received the fixed tonnage quota specified in the Philippine Trade Act of 1946, 952,000 tons of sugar, commercial weight. Cuba and the full-duty countries became the residual suppliers, with Cuba receiving 98.64 percent of such needed supplies. Cuba also was to supply 95 percent of the deficits in the Philippine quota which, it was known, would be large during the years when that country was rebuilding its sugar industry. The full-duty countries which formerly received all of the Philippines deficits retained 5 percent.

The Sugar Act was amended and extended in 1951, effective as of January 1, 1953. The major features of the 1948 act were retained unchanged except that the quota for Puerto Rico was increased by 170,000 tons, that for the Virgin Islands by 6,000 tons, and Cuba's share of the residual quota was reduced to 96 percent, while the share of the full-duty countries was raised to 4 percent.

Because of the special consideration given to Cuba under the 1948 act and the healthy demand in the world market, Cuba, contrary to expectations, was not required to cut its production during the early postwar years. As a result of the flourishing demand for sugar during the period of the Korean hostilities, Cuba actually was enabled to increase production steadily until 1952, when the record crop of 8 million tons was harvested. That crop, however, supplied all world needs and left a surplus of approximately 2 million tons, which has overhung the market since that time. Beginning with the next crop, Cuba drastically curtailed production and has continued to do so during each succeeding year.

Cuba supplied to this market an average of 2.1 million tons under the Sugar Act of 1937, 2.9 million tons during the war years, 3.0 million tons during the 5 years under the Sugar Act of 1948, and 2.8 million tons during the 3 completed years under the present extension.

When the act was extended in 1951, Puerto Rico was the only domestic area which had experienced a surplus crop and the quota for that area was increased by 170,000 tons to alleviate the problem. When the extension became effective in 1953, it already had become apparent, however, that production was rising rapidly to quota levels in all of the domestic areas. Farm production, in general, was moving toward a surplus situation in 1952 and, as a result, sugar beets have become increasingly favorable in relation to alternative crops.

Production research has made available new varieties of both sugar beets and sugarcane plus improved agronomic practices which have tended to increase yields substantially in the last few years. This tendency has been particularly strong in the mainland cane area.

Marketing allotments and acreage controls have been in effect in Puerto Rico continuously under the present extension of the act. Marketing allotments were imposed in the mainland cane area in 1953 and in the domestic beet area in 1954. Acreage allotments have been in effect in the mainland cane area since 1954 and in the beet area beginning with the 1955 crop.

Current sugar inventories in the domestic beet area are about 250,000 tons above average and in the domestic cane area 230,000

tons above average. In the mainland cane area inventories amount to 400,000 tons, or 140 percent above average, and in the domestic beet area, 1,600,000 tons, or 20 percent above average. The special Government purchase program will reduce these inventories by 71,500 tons in the mainland cane area and 28,500 tons in the domestic beet area.

SUGAR PRICES

A hundred years ago, sugar was very expensive and quite rare. After the Civil War, for instance, raw sugar wholesaled for more than 20 cents per pound and at one time in our history the tariff alone on loaf sugar was 12 cents per pound. As the price of sugar declined, consumption rose until the middle 1920's, after which time price appeared to have little effect upon the rate of sugar consumption in this country. The price of sugar in relation to other foods and per capita distribution of sugar are shown in table D for the period since 1860:

TABLE D.—*Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods, annually 1860–1954 and monthly January to May 1955*

[Index numbers of per capita disposable income and wholesale sugar prices in relation to per capita disposable income annually, 1910–54, and 1st quarter of 1955]

Year	Sugar price, net cash, New York	Index numbers (1935–39=100)		Sugar prices in relation to—	
		Prices of all foods (wholesale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	<i>Cts. per lb.</i>			<i>Cts. per lb.</i>	<i>Cts. per lb.</i>
1860.....	9.78	78	-----	12.54	-----
1861.....	8.75	73	-----	11.99	-----
1862.....	11.16	87	-----	12.83	-----
1863.....	14.28	100	-----	14.28	-----
1864.....	22.56	154	-----	14.65	-----
1865.....	21.56	147	-----	14.67	-----
1866.....	16.68	141	-----	11.97	-----
1867.....	15.78	136	-----	11.60	-----
1868.....	16.32	139	-----	11.74	-----
1869.....	16.19	126	-----	12.85	-----
1870.....	13.53	113	-----	11.97	-----
1871.....	13.28	106	-----	12.53	-----
1872.....	12.37	99	-----	12.49	-----
1873.....	11.34	100	-----	11.34	-----
1874.....	10.56	103	-----	10.25	-----
1875.....	10.72	98	-----	10.94	-----
1876.....	10.47	92	-----	11.38	-----
1877.....	11.31	94	-----	12.03	-----
1878.....	9.48	76	-----	12.47	-----
1879.....	8.78	73	-----	12.03	-----
1880.....	9.60	78	-----	12.31	-----
1881.....	9.67	86	-----	11.24	-----
1882.....	9.23	93	-----	9.92	-----
1883.....	8.51	84	-----	10.13	-----
1884.....	6.78	76	-----	8.92	-----
1885.....	6.44	69	-----	9.33	-----
1886.....	6.12	64	-----	9.56	-----
1887.....	6.01	70	-----	6.59	-----
1888.....	7.01	70	-----	10.01	-----
1889.....	7.64	64	-----	11.94	-----
1890.....	6.17	70	-----	8.81	-----
1891.....	4.64	69	-----	6.72	-----
1892.....	4.35	64	-----	6.80	-----
1893.....	4.84	69	-----	7.01	-----
1894.....	4.12	61	-----	6.75	-----
1895.....	4.15	60	-----	6.92	-----
1896.....	4.53	55	-----	8.24	-----
1897.....	4.50	58	-----	7.76	-----
1898.....	4.96	60	-----	8.27	-----

TABLE D.—*Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods, annually 1860–1954 and monthly January to May 1955—Continued*

Year	Sugar price, net cash, New York	Index numbers (1935–39=100)		Sugar prices in relation to—	
		Prices of all foods (wholesale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	<i>Cts. per lb.</i>			<i>Cts. per lb.</i>	<i>Cts. per lb.</i>
1899	4.92	60		8.20	
1900	5.32	64		8.31	
1901	5.05	64		7.89	
1902	4.46	68		6.56	
1903	4.64	66		7.03	
1904	4.77	69		6.91	
1905	5.26	69		7.62	
1906	4.52	68		6.65	
1907	4.65	72		6.46	
1908	4.96	74		6.70	
1909	4.76	79		6.03	
1910	4.97	82	63	6.06	7.89
1911	5.34	78	63	6.85	8.48
1912	5.04	85	67	5.93	7.52
1913	4.28	82	69	5.22	6.20
1914	4.68	82	68	5.71	6.88
1915	5.56	82	71	6.78	7.83
1916	6.86	95	82	7.22	8.37
1917	7.66	132	98	5.80	7.82
1918	7.83	151	108	5.19	7.25
1919	9.00	164	122	5.49	7.38
1920	15.55	174	126	8.94	12.34
1921	6.19	114	99	5.43	6.25
1922	5.93	111	104	5.34	5.70
1923	8.41	117	119	7.19	7.07
1924	7.31	115	118	6.36	6.19
1925	5.45	126	123	4.33	4.43
1926	5.46	126	126	4.33	4.33
1927	5.79	122	124	4.75	4.67
1928	5.52	128	126	4.31	4.38
1929	5.03	126	132	3.99	3.81
1930	4.62	114	117	4.05	3.95
1931	4.43	95	99	4.66	4.47
1932	3.99	77	75	5.18	5.32
1933	4.32	77	70	5.61	6.17
1934	4.44	89	80	4.99	5.55
1935	4.85	106	89	4.58	5.45
1936	4.69	104	101	4.51	4.64
1937	4.73	108	107	4.38	4.42
1938	4.48	93	98	4.82	4.57
1939	4.58	89	105	5.15	4.36
1940	4.33	90	112	4.81	3.87
1941	4.92	105	136	4.69	3.62
1942	5.45	126	170	4.33	3.21
1943	5.49	135	190	4.07	2.89
1944	5.46	133	206	4.11	2.65
1945	5.39	134	209	4.02	2.58
1946	6.34	165	219	3.84	2.89
1947	8.12	206	228	3.94	3.56
1948	7.60	222	249	3.42	3.05
1949	7.81	202	245	3.87	3.19
1950	7.84	207	264	3.79	2.97
1951	8.21	232	285	3.54	2.88
1952	8.45	229	294	3.69	2.87
1953	8.55	219	305	3.90	2.80
1954	8.55	218	305	3.92	2.81
1955	8.42	212	315	3.97	2.67

Sources:

Column 2:

1860–99: Palmers Sugar Manual Concerning Sugar.

1900–55: Laniborn Sugar Market Report.

Column 3:

1860–1909: Whole Prices for 213 Years, Warren and Pearson.

1910–55: Index numbers of the Bureau of Labor Statistics converted to 1935–39=100.

Column 4:

1910–28: Estimates by BAE.

1929–51: Computed by BAE from data of U. S. Department of Commerce.

Col. 5: Col. (2) divided by col. (3).

Col. 6: Col. (2) divided by col. (4).

In relation to the price of other foods, the price of sugar in the United States as in other countries of the world has declined greatly during the past century and still continues to do so. Since 1940, for instance, the wholesale price of all foods has increased much more than the wholesale price of refined sugar. Last year, the wholesale price of all foods was 136 percent higher than in 1940, whereas the wholesale price of sugar was only 94 percent higher than in 1940.

Because of protective devices such as tariffs, exchange restrictions, and production subsidies which are applied to sugar in almost every major sugar-consuming country of the world, relatively little sugar is sold in markets where it does not enjoy preferential treatment. As a result of this market narrowness, the world market price of sugar fluctuates widely and is very sensitive to relatively minor shortages or surpluses in world production.

The sugar acts have eliminated the extremes of very high and very low prices in the United States market. They have protected domestic growers during long periods of price depression in the world market and likewise have protected consumers during shorter but sharper periods of price inflation in that market. Price stability has helped assure adequate supplies to consumers and a market for a definite quantity of production to producers.

The following table shows, monthly, beginning in 1947, the world market price for raw sugar, the price of raw and refined sugar in this country, and the price that would be in line with the price formula of section 201 of the Sugar Act. It is interesting to note the stability of domestic prices in relation to the world market and also the fact that domestic sugar prices have remained well below the formula price mentioned in the act.

TABLE E.—*Sugar prices: Raw and refined, monthly, January 1947 to date*
[Cents per pound]

Year and month (1)	Raw sugar		Refined sugar (wholesale, New York)	
	New York, duty paid (2)	World, free along- side ship Cuba (3)	Actual (4)	Adjusted ¹ (5)
1947—January.....	² 6.03	¹ 5.03	8.09	8.03
February.....	¹ 6.12	² 5.03	8.20	8.02
March.....	¹ 6.12	² 5.03	8.20	8.18
April.....	¹ 6.18	² 5.03	8.25	8.18
May.....	¹ 6.18	² 5.03	8.25	8.17
June.....	¹ 6.18	² 5.03	8.25	8.23
July.....	¹ 6.18	² 5.03	8.25	8.30
August.....	¹ 6.30	² 5.03	8.38	8.39
September.....	¹ 6.32	² 5.03	8.40	8.59
October.....	¹ 6.32	² 5.03	8.40	8.59
November.....	¹ 6.32	² 5.03	8.40	8.64
December.....	¹ 6.32	² 5.03	8.40	8.75
Average.....	¹ 6.21	² 5.03	8.29	8.34
1948—January.....	5.65	3.96	8.21	8.85
February.....	5.50	4.24	7.82	8.78
March.....	5.42	4.26	7.75	8.75
April.....	5.35	4.43	7.75	8.87
May.....	5.14	4.27	7.60	8.94
June.....	5.35	4.06	7.51	9.01
July.....	5.69	4.10	7.75	9.11
August.....	5.78	4.41	7.75	9.15
September.....	5.66	4.39	7.75	9.15
October.....	5.65	4.32	7.75	9.11
November.....	5.68	4.27	7.75	9.04
December.....	5.66	4.03	7.75	9.00
Average.....	5.54	4.23	7.76	8.98
1949—January.....	5.69	4.00	7.99	8.97
February.....	5.65	3.95	8.00	8.87
March.....	5.68	4.17	7.96	8.90
April.....	5.63	4.09	8.10	8.92
May.....	5.78	4.04	8.02	8.89
June.....	5.86	4.08	7.87	8.91
July.....	5.83	4.13	7.85	8.86
August.....	5.88	4.20	7.85	8.87
September.....	6.01	4.19	7.90	8.92
October.....	6.02	4.33	8.05	8.87
November.....	5.91	4.33	8.05	8.87
December.....	5.74	4.39	8.05	8.82
Average.....	5.81	4.16	7.97	8.89
1950—January.....	5.74	4.62	8.05	8.79
February.....	5.59	4.47	7.92	8.77
March.....	5.54	4.44	7.74	8.80
April.....	5.53	4.37	7.70	8.80
May.....	5.71	4.21	7.70	8.85
June.....	5.78	4.21	7.70	8.89
July.....	6.07	4.89	7.97	8.99
August.....	6.25	5.83	8.22	9.06
September.....	6.25	5.88	8.25	9.12
October.....	6.23	5.84	8.25	9.17
November.....	6.19	5.58	8.25	9.21
December.....	6.30	5.36	8.25	9.34
Average.....	5.93	4.98	8.00	8.98
1951—January.....	6.09	5.22	8.25	9.49
February.....	5.96	4.96	8.25	9.60
March.....	5.90	5.48	8.25	9.63
April.....	5.81	5.57	8.25	9.64
May.....	6.36	6.62	8.40	9.69
June.....	6.59	7.41	8.60	9.68
July.....	6.30	6.75	8.74	9.69
August.....	6.00	5.61	8.52	9.69
September.....	6.00	5.52	8.50	9.75
October.....	5.93	5.28	8.25	9.79

See footnotes at end of table, p. 17.

TABLE E.—*Sugar prices: Raw and refined, monthly, January 1947 to date—Con.*
[Cents per pound]

Year and month (1)	Raw sugar		Refined sugar (wholesale, New York)	
	New York, duty paid (2)	World, free along- side ship Cuba (3)	Actual (4)	Adjusted ² (5)
1951—January—Continued				
November.....	5.97	4.83	8.25	9.85
December.....	5.79	4.84	8.25	9.88
Average.....	6.06	5.67	8.38	9.70
1952—January.....	5.80	4.54	8.21	9.88
February.....	5.77	4.38	8.15	9.82
March.....	6.16	4.30	8.38	9.82
April.....	6.31	4.30	8.65	9.86
May.....	6.21	4.24	8.65	9.87
June.....	6.43	4.17	8.69	9.90
July.....	6.48	4.16	8.80	9.97
August.....	6.43	4.05	8.80	9.98
September.....	6.50	4.00	8.80	9.97
October.....	6.59	4.01	8.80	9.97
November.....	6.44	4.00	8.80	9.98
December.....	6.06	3.84	8.71	9.97
Average.....	6.26	4.17	8.62	9.91
1953—January.....	6.04	3.55	8.58	9.95
February.....	6.16	3.52	8.50	9.90
March.....	6.33	3.27	8.65	9.92
April.....	6.38	3.38	8.75	9.93
May.....	6.35	3.65	8.75	9.96
June.....	6.37	3.62	8.75	10.00
July.....	6.41	3.60	8.79	10.02
August.....	6.40	3.53	8.85	10.04
September.....	6.41	3.29	8.85	10.06
October.....	6.40	3.15	8.85	10.08
November.....	6.15	3.10	8.69	10.04
December.....	6.05	3.27	8.65	10.04
Average.....	6.29	3.41	8.72	10.00
1954—January.....	6.04	3.30	8.65	10.06
February.....	6.06	3.39	8.65	10.04
March.....	6.18	3.28	8.73	10.03
April.....	6.19	3.36	8.80	10.01
May.....	6.10	3.32	8.80	10.04
June.....	6.15	3.27	8.80	10.05
July.....	6.19	3.13	8.80	10.06
August.....	6.09	3.18	8.80	10.04
September.....	5.98	3.21	8.70	10.02
October.....	5.96	3.25	8.65	10.00
November.....	6.15	3.26	8.65	10.01
December.....	5.96	3.19	8.65	9.98
Average.....	6.09	3.26	8.72	10.03
1955—January.....	5.96	3.17	8.65	9.98
February.....	5.94	3.17	8.62	9.98
March.....	5.84	3.22	8.55	9.98
April.....	5.82	3.31	8.55	9.97
May.....	5.95	3.38	8.55	9.97
June.....	6.02	3.26	8.55	9.99
July.....	6.01	3.22	8.55	10.02
August.....	6.02	3.22	8.55	10.00
September.....	6.00	3.27	8.55	10.04
October.....	6.06	3.28	8.63	10.04
November.....	5.97	3.19	8.65	10.04
December.....	5.83	3.16	8.65	10.02
Average.....	5.95	3.24	8.59	10.00

¹ Average delivered price charged United States refiners by Commodity Credit Corporation.² Prices paid to Cuba by CCC plus CCC's expenses of approximately 1 percent.³ Adjusted for changes in Consumer's Price Index (Sugar Act Formula).

COMPARISON WITH H. R. 7030 AS PASSED BY THE HOUSE

The bill as reported by this committee is similar in most respects to H. R. 7030 as passed by the House. It differs somewhat with respect to the allocation of quotas to the various areas. Further, it does not contain the section of the House-passed bill which directs Commodity Credit Corporation to purchase 100,000 tons of sugar from the 2 mainland areas and, in addition, it provides for a 6-year rather than a 4-year extension of the Sugar Act. The few remaining changes are minor in nature.

Since last summer, CCC has purchased 100,000 tons of sugar from the mainland areas. Inasmuch as the objective of the House-passed bill with respect to the purchase program has been fulfilled, no purpose would be served in continuing that section and, accordingly, it has been deleted from the bill reported by this committee.

With respect to quotas, both bills are similar for that portion of requirements amounting to 8,350,000 tons. This bill provides that the domestic areas shall supply 55 percent and foreign areas 45 percent of consumer requirements in excess of 8,350,000 tons, whereas the House-passed bill divided such increases equally between domestic and foreign areas. Both bills provide priorities as to the manner in which the several domestic areas shall participate in the first 188,000 tons of the quota increase accruing to them. This bill gives first priority to the 2 mainland areas with respect to the first 165,000 tons of such increase, a second priority of 20,000 tons to Puerto Rico, and a third priority of 3,000 tons to the Virgin Islands. The House bill contained a collective priority for all domestic areas except Hawaii for 1956. Both bills provide that increases in total domestic quotas in excess of the priorities be apportioned on the basis of the domestic quotas in effect at the time such increases occur.

A substantial difference exists between the two bills with respect to section 7 which establishes the method of sharing quotas among foreign countries. Both bills provide the same quota for the life of the amendment to the Republic of the Philippines, namely, 952,000 tons, commercial weight, and both retain provisions of the current act with respect to the division between Cuba and other foreign countries for the year 1956.

Beginning in 1957 the two bills would produce substantial differences in the quotas for domestic and foreign areas. Table F shows the prospective quotas that would result from the House bill. The differences between quotas for foreign areas shown in table F and those shown in table A, which would result from this bill, would increase appreciably if the House bill gave domestic areas 55 percent of the future increases in the United States. The House bill would give the domestic areas only 50 percent of such increases.

TABLE F.—*Sugar quotas and prorations: H. R. 7030 as passed by House under assumed requirements, 1956-60*

[Short tons, raw value]

	1956	1957	1958	1959	1960
Assumed requirements.....	8,535,000	8,670,000	8,805,000	8,940,000	9,075,000
Domestic areas.....	4,536,500	4,604,000	4,671,500	4,739,000	4,806,500
Beet.....	1,841,810	1,869,215	1,896,620	1,924,024	1,951,430
Mainland cane.....	539,405	547,431	555,457	563,483	571,509
Hawaii.....	1,052,000	1,067,653	1,083,306	1,098,959	1,114,612
Puerto Rico.....	1,089,805	1,106,020	1,122,236	1,138,452	1,154,667
Virgin Islands.....	13,480	13,681	13,881	14,082	14,282
Foreign areas.....	3,998,500	4,066,000	4,133,500	4,201,000	4,268,500
Philippines ¹	980,000	980,000	980,000	980,000	980,000
Cuba.....	2,897,760	2,911,000	2,933,500	2,956,000	2,978,500
"Full duty" countries.....	120,740	175,000	220,000	265,000	310,000
Dominican Republic.....	29,984	58,393	74,403	90,221	105,789
Mexico.....	12,432	31,564	40,218	48,768	57,184
Nicaragua.....	8,498	7,891	10,054	12,192	14,296
Peru.....	56,396	56,814	72,392	87,782	102,930
Haiti.....	2,901	5,156	6,022	6,877	7,718
Costa Rica.....	² (1,084)	3,409	3,832	4,382	5,097
Formosa.....	² (1,114)	3,448	3,882	4,447	5,181
Netherlands.....	² (1,123)	3,460	3,898	4,467	5,207
Panama.....	² (1,114)	3,448	3,882	4,447	5,181
Belgium.....	² (182)	182	182	182	182
British Guiana.....	² (85)	85	85	85	85
Canada.....	² (631)	631	631	631	631
Hong Kong.....	² (3)	3	3	3	3
United Kingdom.....	² (516)	516	516	516	516
El Salvador ³	4,492				

¹ Philippine quota for 1956 is 980,000 tons, may vary slightly in subsequent years.² Average 1953-54 charges against quotas. These countries do not have specific prorations under the present law. These entries are made within the proration for unspecified countries which amounts to 6,037 tons when requirements are 8,535,000 tons.³ No entries since 1949.

In view of the long-term commitments and planning necessary for the efficient operation of the sugar-producing industry, the committee feels that a 6-year extension is desirable. The House bill provided for a 4-year extension. The bill as reported by the committee also extends the termination date of taxes under the Internal Revenue Code for 6 years.

The bill as reported by the committee differs from the House-passed bill in the following minor respects:

(1) Section 4 of both bills provides for hearings in connection with determinations which may be made by the Secretary concerning the meaning of the term "to be further refined or improved in quality." The bill as reported by the committee provides for procedures to be followed in making that determination that would be consistent with the procedures now followed in administering other provisions of the sugar act.

(2) In section 15 of the bill a reference in the same section of the House bill to the entire direct-consumption portion of the quota is changed to the unfilled part of the direct-consumption portion of the quota.

(3) Section 22 of this bill differs from the corresponding section of the House bill (sec. 23) with respect to the effective date of sections 1 through 4. The House bill passed last July would have permitted the preparation and issuance of regulations during the remainder of 1955, whereas this bill grants such necessary time after enactment in 1956.

ANALYSIS OF THE BILL

Definitions

Sections 1 through 4 of the bill amend certain definitions contained in title I of the Sugar Act of 1948, as amended. In general, these amendments clarify the definitions to coincide with the evident intent of the act. In addition, the amendment provides more specific instructions for administering those provisions of the act dependent upon definitions.

The first and second sections of the bill amend subsections (d) and (e) of section 101 of the act. Subsections (d) and (e) define raw sugar and direct-consumption sugar, respectively. The wording of the present definitions is such that it is doubtful whether some liquid sugar from domestic offshore areas should be classified as either raw or direct-consumption sugar, although a literal interpretation of the present definitions would permit liquid sugar of refined quality from domestic offshore areas to enter within the overall quotas without regard to the direct-consumption limitations. The amendments to these two subsections clarify the present definitions to permit the classification for quota purposes of liquid sugar from domestic offshore areas as either raw or direct-consumption sugar. Such classification is in accordance with the principle that is applied to the classification of crystalline sugar. The amendments are intended to exclude from the raw and direct consumption definitions liquid sugar from all foreign countries. Liquid sugar entries from such countries are limited by sections 208 and 212 of the act. The amended definitions of raw and direct-consumption sugar are supplemented by, and are to be read in the light of, the provisions of the new subsection (n).

Section 3 of the bill amends subsection (i) of section 101 of the act by striking out the parenthetical word "(Clerget)." The word "Clerget" refers to an analytical method and its deletion does not affect the meaning of the term "total sugar content" which is defined in subsection (i). Its deletion in the amendment, however, eliminates the requirement of the use of a method (the Clerget method) for determining sucrose in the measurement of total sugar content. The amendment permits the utilization of newer and more accurate methods for such determinations.

Section 4 of the bill adds a new subsection (n) to section 101 of the act. The amendment defines the term "to be further refined or improved in quality," which is contained in both the raw and direct-consumption sugar definitions and which is a criterion for distinguishing raw from direct-consumption sugar for quota purposes. The definition of the term "to be further refined or improved in quality" basically establishes the minimum processing to which sugar must be subjected before it can be classified as raw sugar. In the event there is any question as to the processes to which raw sugar is to be subjected or as to the specific qualities of sugar which may be so processed, the amendment also provides the Secretary with authority to hold hearings to determine whether specific processes to which sugars are subjected meet the requirements of the standards established by the amendment or whether sugars of specific qualities are of raw or direct-consumption sugar quality. The amendment gives clearer guidance to the Secretary in administering those provisions of the act, which requires him to classify sugar as raw or direct consumption for making

the proper quota charges. The amendment permits the Secretary to consider the type and extent of processing and the quality of sugar in addition to the use criterion contained in subsections (d) and (e) in distinguishing raw sugar from direct-consumption sugar.

Price objective

Section 5 merely amends the base period for the consideration that the Secretary is directed in section 201 of the act to give to the relationship between the wholesale price of refined sugar and the general cost of living in the United States. The bill changes the base period from January through October 1947 to the now generally accepted statistical base period of 1947-49.

Quotas

Section 6 amends subsection 202 (a) of the act which establishes quotas for the domestic areas. The present fixed quotas for these areas are retained and, in addition, the domestic areas are assigned 55 percent of all increases in sugar requirements of the continental United States in excess of 8,350,000 tons, raw value. The first 165,000 tons, or any part thereof, by which quotas for the domestic areas are so increased is apportioned 51.5 percent to the domestic beet area and 48.5 percent to the mainland cane area; the next 20,000 tons are assigned to Puerto Rico; and the next 3,000 tons to the Virgin Islands. Thereafter, increases are apportioned on the basis of the then existing quotas.

Section 7 amends subsection 202 (c) of the act which establishes quotas for foreign countries other than the Republic of the Philippines. The total of such quotas which results from consumers' requirements of 8,350,000 tons or less is the same as that presently established under the act. The effect of section 6 of the bill with respect to these quotas, it will be recalled, is to change participation in consumption requirements in excess of 8,350,000 tons from 100 percent as provided under the present act to 45 percent.

In 1956, the proration of the quota among such countries conforms to the terms of the present act. In 1957 Cuba retains 96 percent and other such foreign countries 4 percent of the quota resulting from sugar requirements of 8,350,000 tons or less. The 45 percent of sugar requirements in excess of 8,350,000 short tons so assigned is distributed 33.8 percent to Cuba, 4 percent to Peru, 2 percent to the Dominican Republic, 4 percent to Mexico and 1.2 percent to other such foreign countries.

In 1957, the proration of 4 percent of the quota for foreign countries other than Cuba and the Republic of the Philippines (resulting from sugar requirements of 8,350,000 tons or less) is accomplished first by assigning to each such foreign country whose average entries within its quota for 1953 and 1954 were less than 1,000 short tons, a proration equal to its average entries during those years; second, by assigning to each such foreign country whose average entries within its quota during 1953 and 1954 were not less than 1,000 nor more than 2,000 short tons, a proration of 3,000 short tons; third, by assigning to each such foreign country whose average entries within its quota during 1953 and 1954 were not less than 2,000 nor more than 10,000 short tons, a proration equal to its average entries within its quota during those years plus 1,000 short tons; and finally, by

prorating the balance to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded 10,000 short tons, on the basis of the average entries within the quotas for each such country for the years 1951 to 1954, inclusive.

In 1958 and subsequent years, the proration of 4 percent of the quota for foreign countries other than Cuba and the Republic of the Philippines (resulting from sugar requirements of 8,350,000 tons or less) is accomplished first, by assigning to each such foreign country whose average entries within its quota during the years 1953 and 1954 were less than 1,000 short tons, a proration equal to its average entries during those years; and second, by prorating the balance of the proration of 4 percent among the remainder of such countries on the basis of the final quotas established for such countries for the calendar year 1957.

In 1957 as well as 1958 and subsequent years, the proration of 1.2 percent of sugar requirements in excess of 8,350,000 tons to foreign countries other than Cuba, the Republic of the Philippines, Peru, the Dominican Republic, and Mexico would be prorated on the same basis as the quota resulting from sugar requirements of 8,350,000 tons is prorated among such countries.

Section 8 of the bill adds a new subsection (e) which affects those foreign countries having quotas in excess of 10,000 short tons. In the event any such country hereafter fails by more than 10 percent to fill its quota or proration in any year during which the world price of sugar exceeds the domestic price, its quota in subsequent years shall be reduced by an amount equal to that by which the country failed to fill its quota or proration, unless failure to do so was due to crop disaster or force majeure, or the Secretary determines that such quota reduction would be contrary to the objectives of the act. The amendment encourages continued deliveries of sugar from foreign countries even when price considerations are more favorable in the world market. The amendment provides that any quota reduction shall be prorated in the same manner as a deficit is prorated under section 204 of the act.

Proration of deficits

Section 9 amends section 204 of the act which establishes the method of prorating deficits. The effect of the change is to prorate to the domestic areas alone, rather than to Cuba and domestic areas, any deficit in a domestic sugar-producing area quota which occurs because of inability to market that part of its quota resulting from sugar requirements in excess of 8,350,000 short tons. A further change directs the Secretary, in the event a domestic area is unable to fill its proration of any deficit resulting from sugar requirements in excess of 8,350,000 short tons, to apportion such unfilled amount to such other domestic areas which are able to fill the deficit. In the event no domestic area can supply the needed sugar, the Secretary is directed to add such unfilled amount to the quota for Cuba.

Allotment of quotas or prorations

Section 10 amends section 205 (a) of the act by authorizing the Secretary, when he allots any area's quota or proration, to consider, in addition to the factors presently specified and to make appropriate allowance for the adverse effect of drought, storm, flood, freeze, disease,

insects, and other uncontrollable conditions which seriously and broadly affect a general area served by the factory or factories of any allottee. This amendment addresses itself to the effects of adverse natural conditions and not to adverse economic circumstances.

Direct-consumption sugar limitations

Section 11, which amends section 207 (a) of the act, provides that portions of the quotas for Hawaii and Puerto Rico which may be filled by direct consumption sugar are to be increased in the same proportion as the overall quotas are increased. With respect to Puerto Rico, the amendment provides that increases in the direct-consumption portion of the quota may be filled by either crystalline or liquid sugar, but restricts to crystalline sugar the filling of the present direct consumption portion of the quota, which is 126,033 short tons.

Section 12 of the bill amends the limitations in section 207 (b) of the act with respect to direct consumption sugar which apply to the quota of foreign countries other than Cuba and the Republic of the Philippines. Such countries with overall prorations of 7,000 short tons or less may fill their entire proration with direct-consumption sugar. The present limitation of 1.36 percent of the quota for foreign countries other than the Republic of the Philippines is retained for such countries whose prorations exceed 7,000 short tons. Such limitation is prorated on the basis of the average importation of direct-consumption sugar within the quota during the years 1951 to 1954 inclusive.

Conditional payments to domestic producers

Section 13 of the bill permits the marketing or processing in excess of the proportionate share for the farm of sugar beets or sugarcane for the production of sugar to be used for livestock feed.

Section 14 of the bill amends subsection 302 (b) of the act by authorizing the Secretary, in determining proportionate shares with respect to domestic sugar-beet and sugarcane farms, to give consideration, insofar as practicable, to the interest of producers in any local-producing area whose past production has been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions. As in the case of subsection 205 (a), this amendment addresses itself to the effect of adverse natural conditions rather than to adverse economic circumstances. Section 14 also authorizes the Secretary, on application of an owner of a farm in Puerto Rico, to transfer the sugarcane production record for any parcel of land owned by such applicant in Puerto Rico to any other parcel owned by the applicant, if he finds such transfer to be in the public interest because of more economic utilization of land resources, conservation of soil and water resources, or the fostering of greater diversification of agricultural production.

Administrative provisions

Section 15 of the bill adds a new subsection (b) to section 405 of the act and designates the present section 405 as subsection (a). The amendment provides that any person whose sugar-processing operations meet the requirements of subsection 101 (n) and who imports sugar of direct-consumption quality for processing under a declaration that such sugar is raw sugar, shall forfeit to the United

States 1 cent for each pound of such sugar in excess of the unfilled part of the direct-consumption portion of the applicable quota, proration, or allotment thereof. Since sugar is often entered and partly or completely processed before a determination of its quality is made, it is possible that some sugar declared to have been raw sugar will be determined to have been of direct-consumption quality when entered. If such sugar is in excess of the unfilled portion of the direct-consumption quota, proration, or allotment thereof, forfeiture of 1 cent per pound is provided. This forfeiture is considered sufficient to make it unprofitable to enter for further processing direct-consumption sugar in excess of the direct-consumption limitations.

Section 16 of the bill amends section 407 of the act to provide that the provisions of that section shall not apply to persons whose services are utilized in the administration of the act pursuant to section 305. The application of the provisions of section 407 to such persons who do not have access to information that might aid them in investing or speculating in sugar has on occasion precluded the Department from obtaining the services of persons who are best qualified to serve in field offices. The difficulties have been most acute and embarrassing in areas served by cooperative sugar mills. The amendment does not remove the restrictions of section 407 from Washington officials who do have information that would be of value in investing or speculating in sugar, but it does permit the employment of State, county, and community committeemen and employees who own stock in a sugar company or who are members of a cooperative mill.

Section 17 of the bill inserts a new section 411 and renumbers present sections 411 and 412 of the act. The amendment authorizes the Secretary of Agriculture to reconcile imports of sugar from foreign countries with the Government's obligation under article 7 of the International Sugar Agreement (ratified by and with the advice and consent of the U. S. Senate on April 29, 1954). The amendment restricts imports of only those countries that do not participate in the agreement. The amendment permits the Secretary to take similar action on the corresponding provisions of successor agreements ratified by and with the advice and consent of the United States Senate.

Period for which bill is effective

Section 18 amends renumbered section 412 of the act and provides for termination of the act on December 31, 1962. Under the provision of the act the Secretary has authority to make payments under title III on programs applicable for the crop year 1962 and previous crops.

Section 19 extends to June 30, 1963, the period during which the excise and import compensating tax is applicable to sugar.

Section 22 of the bill provides that the amendments shall become effective January 1, 1956, except as otherwise provided. In particular, sections 1 through 4 will become effective upon implementation by publication of regulations in the Federal Register or 6 months after the date of enactment of this bill into law, whichever is earlier.

Amendments to the Internal Revenue Code

Section 20 of the bill amends section 4502 (4) of the 1954 Internal Revenue Code. That section of the code defines the term "total sugars" similarly to the term "total sugar content" contained in section 101 (i) of the act and refers to Customs Regulations of 1930, which

have since been superseded. The amendment in no way affects the meaning of the term "total sugars" and permits the Treasury Department to use methods that are most appropriate to the determination of total sugars.

Section 21 of the bill amends section 4505 and 6418 (a) of the Internal Revenue Code of 1954. The amendments provide that the import compensating tax on manufactured sugar imported into the United States for use in the distillation of alcohol or for livestock feed may be refunded. Section 212 of the sugar act exempts from quotas any sugar or liquid sugar used for such purposes. However, tax exemption under the Internal Revenue Code has been only partly consistent with the quota exemption. The excise tax applicable to sugar manufactured in the United States has been refundable on sugar used for livestock feed or for the distillation of alcohol, but the import compensating tax applicable to manufactured sugar imported into the United States has not been refundable on sugar used for the same purpose. The amendment provides that either the excise tax or the import compensating tax, whichever is applicable, may be refunded on sugar used for livestock feed or for the distillation of alcohol.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SUGAR ACT OF 1948, AS AMENDED

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this Act, except title V—

* * * * *

(d) **["The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.]"** *The term "raw sugar" means any sugars exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar.*

(e) **["The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.]"** *The term "direct-consumption sugar" means any sugars principally of crystalline structure and any liquid sugar (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality.*

* * * * *

(i) The term "total sugar content" means the sum of the sucrose **[(Clerget)]** and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

* * * * *

(n) *The term "to be further refined or improved in quality" means to be subjected substantially to the processes of (1) affination or defecation, (2) clarification, and (3) further purification by adsorption or crystallization. The Secretary is authorized, after such hearing and upon such notice as he may by regulations prescribe, to determine whether specific processes to which sugars are subjected are sufficient to meet the requirements of this paragraph (n) and whether sugars of specific qualities are raw sugar within the meaning of paragraph (d) of this section, or direct-consumption sugar within the meaning of paragraph (e) of this section.*

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during [1947 prior to the termination of price control of sugar] 1947-49 as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) (1) For domestic sugar-producing areas[,] by apportioning among such areas four million four hundred and forty-four thousand short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar.....	1, 800, 000
Mainland cane sugar.....	500, 000
Hawaii.....	1, 052, 000
Puerto Rico.....	1, 080, 000
Virgin Islands.....	12, 000

(2) To the above total of four million four hundred forty-four thousand short tons, raw value, there shall be added an amount equal to 55 per centum of the amount by which the Secretary's determination of requirements of consumers in the continental United States for the calendar year exceeds eight million three hundred and fifty thousand short tons, raw value. Such additional amount shall be apportioned among and added to the quotas established under paragraph (1) of this subsection for such domestic sugar-producing areas, respectively, as follows: (A) The first one hundred sixty-five thousand short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 51.5 per centum to the domestic beet sugar area and 48.5 per centum to the mainland cane sugar area; (B) the next twenty thousand short tons, raw value, or any part thereof, by which such quotas are so increased shall be apportioned to Puerto Rico; (C) the next three thousand short tons, raw value, or any part thereof, by which such quotas are so increased shall be apportioned to the Virgin Islands; (D) any additional amount shall be apportioned on the basis of the quotas established in paragraph (1) of this subsection as adjusted by subparagraphs (A), (B), and (C) of this paragraph (2).

(b) For the Republic of the Philippines, in the amount of nine hundred and fifty-two thousand short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) [For] (1) For the calendar year 1956, for foreign countries other than the Republic of the Philippines, by prorating among such countries an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less

the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

Country	Per centum
Cuba.....	96
Foreign countries other than Cuba and the Republic of the Philippines.....	4

Ninety-five per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the average amount imported from each such country within the quotas established for the years 1948, 1949, and 1950, except that a separate proration need not be established for any country which entered less than 2 per centum of the average importations within the quotas for such years. The amount of the quota not so prorated may be filled by countries not receiving separate prorations, but no such country shall enter an amount pursuant to this subsection in excess of 1 per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines.

(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating (A) to Cuba 96 per centum and (B) to other foreign countries 4 per centum of the amount of sugar, raw value, by which eight million three hundred and fifty thousand short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of four million four hundred and forty-four thousand short tons, raw value, and the quotas established pursuant to subsection (b) of this section; and by prorating 45 per centum of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of eight million three hundred and fifty thousand short tons as follows:

Country	Per centum
Cuba.....	33.8
Peru.....	4.0
Dominican Republic.....	2.0
Mexico.....	4.0
Other countries.....	1.2
	<hr/> 45.0

The above proration of 1.2 per centum to foreign countries other than Cuba, the Republic of the Philippines, Peru, the Dominican Republic, and Mexico shall be apportioned on the basis of the apportionments to such countries under paragraph (3) of this subsection.

(3) For the calendar year 1957, the proration of 4 per centum under paragraph (2) (B) of this subsection for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than one thousand short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than one thousand nor more than two thousand short tons, raw value, a proportion of three thousand short tons, raw value, and third, by assigning to each foreign country whose average entries within the quotas during 1953 and 1954 were not less than two thousand nor more than ten thousand short tons, raw value, a proration equal to the average entries from each such country within the quotas during 1953 and 1954, plus one thousand short tons, raw value, and fourth, by prorating the balance of such quota to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded ten thousand short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

For the calendar year 1958 and for each subsequent calendar year, the proration of 4 per centum under paragraph (2) (B) of this subsection for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than one thousand short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and second, by prorating the balance of such quota among the remainder of such countries on the basis of the final quotas established for such countries pursuant to this section for the calendar year 1957.

(d) Notwithstanding the other provisions of this title II, the minimum quota established for Cuba, including increases resulting from deficits determined pursuant to section 204 (a), shall not be less than the following:

(1) 28.6 per centum of the amount of sugar determined under section 201 when such amount is seven million four hundred thousand short tons or less; and

(2) two million one hundred and sixteen thousand short tons, when the amount of sugar determined under section 201 is more than seven million four hundred thousand short tons.

The quotas for domestic sugar-producing areas, established pursuant to the other provisions of this title II, shall be reduced pro rata by such amounts as may be required to establish such minimum quota for Cuba.

(e) *Whenever in any year any foreign country with a quota or proration thereof of more than ten thousand short tons fails to fill such quota or proration by more than 10 per centum and at any time during such year the world price of sugar exceeds the domestic price, the quota or proration thereof for such country for subsequent years shall be reduced by an amount equal to the amount by which such country failed to fill its quota or proration thereof, unless the Secretary finds that such failure was due to crop disaster or force majeure or finds that such reduction would be contrary to the objectives of this Act. Any reduction hereunder shall be prorated in the same manner as deficits are prorated under section 204.*

* * * * *

SEC. 204. (a) The Secretary shall from time to time determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect: *Provided, That any deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under the provisions of section 202 (a) (2) shall first be prorated to other domestic areas on the basis of the quotas then in effect.* If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

To Cuba, 96 per centum; and

To foreign countries other than Cuba and the Republic of the Philippines, 4 per centum.

If the Secretary finds that foreign countries other than Cuba and the Republic of the Philippines cannot fill the quota for such area, he shall increase the quota for Cuba by an amount equal to the deficit.

Whenever the Secretary finds that any area will be unable to fill its proration of any such deficit, he may apportion such unfilled amount on such basis and to such areas as he determines is required to fill such deficit; *except that in the case of proration of any such deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under and by reason of section 202 (a) (2), the Secretary shall apportion the unfilled amount on such basis and to such other domestic areas as he determines is required to fill such deficit, and if he finds that no domestic area will be able to supply such unfilled amount, he shall add it to the quota for Cuba.*

* * * * *

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of

section 302, pertained; the past marketings or importations of each such person; and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. *In making such allotments, the Secretary may also take into consideration and make due allowance for the adverse effect of drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions seriously and broadly affecting any general area served by the factory or factories of such person.* The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

* * * * *

SEC. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year, *plus an amount equal to the same percentage of twenty-nine thousand six hundred and sixteen short tons, raw value, that the increase in the quota for Hawaii under section 202 is of one million fifty-two thousand short tons, raw value* may be filled by direct-consumption sugar.

(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar **[.]** *which shall be principally of crystalline structure, plus an amount equal to the same percentage of one hundred twenty-six thousand and thirty-three short tons, raw value, that the increase in the quota for Puerto Rico under section 202 is of one million eighty thousand short tons, raw value, which latter amount may be filled by direct-consumption sugar whether or not principally of crystalline structure.*

* * * * *

(h) **[The]** (1) *For the calendar year 1956, the quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar only to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: Provided, That each such country shall be permitted to enter an amount of direct-consumption sugar not less than the average amount entered by it during the years 1948, 1949, and 1950.*

(2) *For the calendar year 1957 and each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: Provided, That such limitation shall not apply to countries receiving prorations under Section 202 (c) of 7,000 short tons or less. The direct-consumption portion of such quota which is subject to the 1.36 per centum limitation referred to above shall be prorated to countries which receive prorations under section 202 (c) of more than 7,000 short tons on the basis of average imports of direct-consumption sugar within the quota for the years 1951, 1952, 1953, and 1954.*

* * * * *

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

* * * * *

(b) That there shall not have been marketed (or processed), *except for livestock feed, or for the production of livestock feed, as determined by the Secretary, an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.*

* * * * *

SEC. 302. * * *

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets

and sugarcane marketed (or processed) *within the proportionate share for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers [.] and of the producers in any local producing area whose past production has been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions.* For the purposes of establishing proportionate shares hereunder and in order to encourage wise use of land resources, foster greater diversification of agricultural production, and promote the conservation of soil and water resources in Puerto Rico, the Secretary, on application of any owner of a farm in Puerto Rico, is hereby authorized, whenever he determines it to be in the public interest and to facilitate the sale or rental of land for other productive purposes, to transfer the sugarcane production record for any parcel or parcels of land in Puerto Rico owned by the applicant to any other parcel or parcels of land owned by such applicant in Puerto Rico.

* * * * *

TITLE IV—GENERAL PROVISIONS

* * * * *

SEC. 405. (a) Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, [(a)] (1) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or [(b)] (2) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

(b) Any person whose sugar processing operations otherwise meet the requirements of section 101 (n) and who subjects to such processes sugar imported or brought into the continental United States under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality shall forfeit to the United States a sum equal to one cent per pound for each pound, raw value, of such sugar in excess of that part of the direct-consumption portion of the applicable quota or proration or allotment thereof remaining unfilled at the time of such determination, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

* * * * *

SEC. 407. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than two years, or both. *The provisions of this section shall not apply to persons whose services are obtained pursuant to section 305.*

* * * * *

SEC. 411. *The Secretary is authorized to issue such regulations as may be necessary to carry out article 7 of the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the United States Senate on April 29, 1954), restricting importations of sugar into the United States from foreign countries not participating in such agreement, or to carry out the corresponding provisions of any such future agreements ratified by and with the advice and consent of the United States Senate.*

[SEC. 411.] SEC. 412. The powers vested in the Secretary under this Act shall terminate on December 31, [1956] 1962, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year [1956] 1962 and previous crop years.

[SEC. 412.] SEC. 413. The provisions of this Act, except where an earlier effective date is provided for herein, shall become effective January 1, 1948. As provided in section 513 of the Sugar Act of 1937, the powers vested in the Secretary under that Act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that Act under programs thereunder applicable to the crop year 1947 and previous crop years.

AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 4501

* * * * *

(c) **TERMINATION OF TAX.**—No tax shall be imposed under this subchapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, [1957] 1963. Notwithstanding the provisions of subsection (a) or (b), no tax shall be imposed under this subchapter with respect to unsold sugar held by a manufacturer on June 30, [1957] 1963, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date. With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under subsection (b) has been paid and which, on June 30, [1957] 1963 are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Secretary or his delegate, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.

SEC. 4502

* * * * *

(4) **TOTAL SUGARS.**—The term “total sugars” means the total amount of the sucrose [(Clerget)] and of the reducing or invert sugars. [The total sugars contained in any grade or type of manufactured sugar shall be ascertained in the manner prescribed in paragraphs 758, 759, 762, and 763 of the United States Customs Regulations (1931 edition).]

* * * * *

SEC. 4504. IMPORT TAX IMPOSED AS TARIFF DUTY

The tax imposed by section 4501 (b) shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930 and shall be treated for the purposes of all provisions of law relating to the customs revenue as a duty imposed by such Act, except that for the purposes of sections 336 and 350 of such Act such tax shall not be considered a duty or import restriction, and except that no preference with respect to such tax shall be accorded any articles imported or brought into the United States *and except that such tax may be subject to refunds as a tax under the provisions of section 6418 (a).*

SEC. 6412. FLOOR STOCKS REFUNDS

* * * * *

(d) **SUGAR.**—With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 4501 (b) has been paid and which, on June 30, [1957] 1963, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Secretary or his delegate, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.

SEC. 6418. SUGAR

* * * * *

(a) **USE AS LIVESTOCK FEED OR FOR DISTILLATION OF ALCOHOL.**—Upon the use of any manufactured sugar, or article manufactured therefrom, as livestock feed, or in the production of livestock feed, or for the distillation of alcohol, there shall be paid by the Secretary or his delegate to the person so using such manufactured sugar, or article manufactured therefrom, the amount of any tax paid under section 4501 [(a)] with respect thereto.

* * * * *

Note.—Section 22 of the bill provides that except as otherwise provided the amendments made by the bill shall become effective on January 1, 1956, except that sections 1 through 4 shall become effective upon publication in the Federal Register of regulations implementing such sections, or six months after the date of enactment of this Act, whichever is earlier.

Calendar No. 1482

84TH CONGRESS
2D SESSION

H. R. 7030

[Report No. 1461]

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 1955

Read twice and referred to the Committee on Finance

JANUARY 26 (legislative day, JANUARY 16), 1956

Reported by Mr. BYRD, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend and extend the Sugar Act of 1948, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 101 (d) of the Sugar Act of 1948, as amended,
4 is amended to read as follows:

5 “(d) The term ‘raw sugar’ means any sugars (exclusive
6 of liquid sugar from foreign countries having liquid sugar
7 quotas), whether or not principally of crystalline structure,
8 which are to be further refined or improved in quality to pro-
9 duce any sugars principally of crystalline structure or liquid
10 sugar.”

1 SEC. 2. Section 101 (e) of such Act is amended to read
2 as follows:

3 “(e) The term ‘direct-consumption sugar’ means any
4 sugars principally of crystalline structure and any liquid
5 sugar (exclusive of liquid sugar from foreign countries
6 having liquid sugar quotas), which are not to be further
7 refined or improved in quality.”

8 SEC. 3. Section 101 (i) of such Act is amended by
9 deleting the parenthetical word “(Clerget)”.

10 SEC. 4. Section 101 of such Act is amended by adding
11 at the end thereof a new paragraph to read as follows:

12 “(n) The term ‘to be further refined or improved in
13 quality’ means to be subjected substantially to the processes
14 of (1) affination or defecation, (2) clarification, and (3)
15 further purification by adsorption or crystallization. The
16 Secretary is authorized, in accordance with findings based on
17 public hearings to determine whether specific processes to
18 which sugars are subjected are sufficient to meet the require-
19 ments of this paragraph (n) and whether sugars of specific
20 qualities are raw sugar within the meaning of paragraph
21 (d) of this section, or direct-consumption sugar within the
22 meaning of paragraph (e) of this section.”

23 SEC. 5. Section 201 of such Act is amended by striking
24 in the second sentence thereof the words “1947 prior to the

1 termination of price control of sugar" and inserting in lieu
2 thereof "1947-1949".

3 SEC. 6. Section 202 (a) of such Act is amended by
4 inserting a colon and "(1) For the calendar year 1956" in
5 lieu of the first comma and by adding the following new
6 paragraphs:

7 "(2) For the calendar year 1956, by apportioning
8 among such areas 50 per centum of the amount by which
9 the determination made pursuant to section 201 exceeds
10 eight million three hundred and fifty thousand short tons,
11 raw value, as follows:

12 "(A) The first one hundred and eighty-eight thousand
13 short tons, raw value, or any part thereof, by which quotas
14 for the domestic areas are so increased shall be apportioned
15 45.2 per centum to the domestic beet area; 42.6 per centum
16 to the mainland cane area; 10.6 per centum to Puerto Rico;
17 and 1.6 per centum to the Virgin Islands; and

18 "(B) Any additional amount shall be apportioned on
19 the basis established in paragraph (a) (1) as adjusted by
20 subparagraph (A) of this paragraph (a) (2).

21 "(3) For the calendar year 1957 and each subsequent
22 calendar year, by apportioning among such areas four mil-
23 lion four hundred and forty-four thousand short tons, raw
24 value, in accordance with paragraph (a) (1) of this section,

1 and by adding thereto 50 per centum of the amount by which
2 the determination made pursuant to section 201 exceeds
3 eight million three hundred and fifty thousand short tons,
4 raw value, apportioned as follows: First, by apportioning
5 in accordance with the provisions of paragraph (a) (2) of
6 this section an amount not in excess of the amount so appor-
7 tioned in 1956, and second, by apportioning the remainder,
8 if any, in accordance with the final quotas established for
9 the calendar year 1956, pursuant to paragraphs (a) (1)
10 and (a) (2) of this section.”

11 SEC. 7. Section 202 (c) of such Act is amended by strik-
12 ing out “For” after “(c)” and inserting in lieu thereof “(1)
13 For the calendar year 1956, for” and by adding at the end
14 thereof the following new paragraphs:

15 “(2) For the calendar year 1957 and for each sub-
16 sequent calendar year for foreign countries other than the
17 Republic of the Philippines, by prorating to Cuba 96 per
18 centum and to such other foreign countries 4 per centum
19 of the amount of sugar, raw value, by which eight million
20 three hundred and fifty thousand short tons or such lesser
21 amount as determined pursuant to section 201 exceeds the
22 sum of four million four hundred and forty-four thousand
23 short tons, raw value, and the quota established pursuant
24 to subsection (b) of this section; and by prorating to Cuba
25 50 per centum and to foreign countries other than Cuba

1 and the Republic of the Philippines 50 per centum of the
2 amount of sugar, raw value, by which the amount deter-
3 mined pursuant to section 201 exceeds the sum of eight
4 million three hundred and fifty thousand short tons plus the
5 increase in quotas provided for in subsection (a) (3) of
6 this section: *Provided*, (i) that for 1957 the quota for for-
7 eign countries other than Cuba and the Republic of the
8 Philippines shall be one hundred and seventy-five thousand
9 short tons, raw value, and the quota for Cuba shall equal
10 the sum of the quotas for foreign countries other than the
11 Republic of the Philippines less one hundred and seventy-
12 five thousand short tons, raw value; and (ii) that for the
13 calendar year 1958 and each subsequent calendar year
14 through 1960 the quota for foreign countries other than Cuba
15 and the Republic of the Philippines shall be increased forty-
16 five thousand short tons, raw value, annually and the quota
17 for Cuba shall equal the sum of the quotas for foreign coun-
18 tries other than the Republic of the Philippines for such year
19 less the quota for foreign countries other than Cuba and
20 the Republic of the Philippines for such year. The quota
21 for foreign countries other than Cuba and the Republic of
22 the Philippines shall be prorated for the calendar year 1957
23 and for each subsequent calendar year as follows:

24 “(A) Each country whose average annual importations
25 into the United States within the quota were less than one

1 thousand short tons, raw value, during the years 1953 and
 2 1954 shall receive a proration equal to such average
 3 importations.

4 “(B) Each country whose average annual importations
 5 into the United States within the quota were more than one
 6 thousand short tons but less than three thousand short tons,
 7 raw value, during the years 1953 and 1954 shall receive each
 8 year two thousand tons in addition to the basic tonnages pro-
 9 rated under subparagraphs (C) or (D) hereof.

10 “(C) Each country whose average annual importations
 11 into the United States within the quota were one thousand
 12 short tons but less than two thousand short tons, raw value,
 13 during the years 1953 and 1954 shall receive a proration
 14 for 1957 equal to its average importations for the calendar
 15 years 1953 and 1954 plus 30 per centum thereof and for
 16 each calendar year subsequent to 1957 through 1960 the pro-
 17 ration for each such country shall be increased by an addi-
 18 tional 30 per centum of its proration under this subpara-
 19 graph (C) for the immediately preceding calendar year.

20 “(D) That part of the quota not otherwise prorated in
 21 subparagraphs (A), (B), and (C) above shall be prorated
 22 as follows:

“Country	Per centum
Dominican Republic-----	37
Peru-----	26
Mexico-----	20
Nicaragua-----	5
Haiti-----	2”

1 SEC. 8. Section 202 of such Act is amended by adding
2 the following new paragraph:

3 “(c) Whenever in any year any foreign country with
4 a quota or proration thereof of more than ten thousand short
5 tons fails to fill such quota or proration by more than 10
6 per centum and at any time during such year the world
7 price of sugar exceeds the domestic price, the quota or pro-
8 ration thereof for such country for subsequent years shall be
9 reduced by an amount equal to the amount by which such
10 country failed to fill its quota or proration thereof, unless
11 the Secretary finds that such failure was due to crop disaster
12 or force majeure or finds that such reduction would be con-
13 trary to the objectives of this Act. Any reduction hereunder
14 shall be prorated in the same manner as deficits are prorated
15 under section 204.”

16 SEC. 9. (a) The second sentence of section 204 (a)
17 of such Act is amended by inserting before the period at the
18 end thereof a colon and the following: “*Provided*, That any
19 deficit in any domestic sugar-producing area occurring by
20 reason of inability to market that part of the quota for such
21 area allotted under the provisions of section 202 (a) (2) or
22 the increases allotted under sections 202 (a) (3) shall first be
23 prorated to other domestic areas on the basis of the quotas
24 then in effect”.

25 (b) The last paragraph of section 204 (a) of such Act

1 is amended by inserting before the period at the end thereof
2 a semicolon and the following: "except that in the case of
3 proration of any such deficit in any domestic sugar-producing
4 area occurring by reason of inability to market that part of
5 the quota for such area allotted under and by reason of
6 section 202 (a) (2) or the increases allotted under section
7 202 (a) (3), the Secretary shall apportion the unfilled
8 amount on such basis and to such other domestic areas as he
9 determines is required to fill such deficit, and if he finds that
10 no domestic area will be able to supply such unfilled amount,
11 he shall add it to the quota for Cuba".

12 SEC. 10. Section 205 (a) of such Act is amended by
13 inserting immediately before the final sentence thereof the
14 following: "In making such allotments, the Secretary may
15 also take into consideration and make due allowance for the
16 adverse effect of drought, storm, flood, freeze, disease, in-
17 sects, or other similar abnormal and uncontrollable conditions
18 seriously and broadly affecting any general area served by
19 the factory or factories of such person."

20 SEC. 11. (a) Section 207 (a) of such Act is amended
21 by adding after the word "year" the following: ", plus an
22 amount equal to the same percentage of twenty-nine thousand
23 six hundred and sixteen short tons, raw value, that the in-
24 crease in the quota for Hawaii under section 202 is of one
25 million fifty-two thousand short tons, raw value".

1 ~~(b)~~ Section 207 ~~(b)~~ of such Act is amended by striking
 2 the period at the end thereof and by adding the following:
 3 “which shall be principally of crystalline structure, plus an
 4 amount equal to the same percentage of one hundred twenty-
 5 six thousand and thirty-three short tons, raw value, that
 6 the increase in the quota for Puerto Rico under section 202
 7 is of one million eighty thousand short tons, raw value, which
 8 latter amount may be filled by direct-consumption sugar
 9 whether or not principally of crystalline structure.”

10 SEC. 12. Section 207 ~~(h)~~ of such Act is amended by
 11 striking out “The” after “~~(h)~~” and inserting in lieu thereof
 12 “~~(1)~~ For the calendar year 1956, the” and by adding the
 13 following new paragraph:

14 “~~(2)~~ For the calendar year 1957 and each subsequent
 15 calendar year, the quota for foreign countries other than
 16 Cuba and the Republic of the Philippines may be filled by
 17 direct-consumption sugar to the extent of 1.36 per centum of
 18 the amount of sugar determined pursuant to section 201 less
 19 the sum of the quotas established in subsections ~~(a)~~ and ~~(b)~~
 20 of section 202: *Provided*, That such limitation shall not apply
 21 to countries receiving prorations under section 202 ~~(c)~~ of
 22 seven thousand short tons or less. The direct-consumption
 23 portion of such quota which is subject to the 1.36 per
 24 centum limitation referred to above shall be prorated to

1 countries which receive prorations under section 202 (c)
2 of more than seven thousand short tons on the basis of aver-
3 age imports of direct-consumption sugar within the quota for
4 the years 1951, 1952, 1953, and 1954."

5 SEC. 13. Section 301 (b) of such Act is amended by
6 inserting after the words "(or processed)" the following:
7 " , except for livestock feed, or for the production of livestock
8 feed, as determined by the Secretary, "

9 SEC. 14. Section 302 (b) of such Act is amended by
10 inserting after "(or processed)" the words "within the pro-
11 portionate share" and by striking the period at the end thereof
12 and inserting the following: "and of the producers in any
13 local producing area whose past production has been ad-
14 versely, seriously, and generally affected by drought, storm,
15 flood, freeze, disease, insects, or other similar abnormal and
16 uncontrollable conditions. For the purposes of establishing
17 proportionate shares hereunder and in order to encourage
18 wise use of land resources, foster greater diversification of
19 agricultural production, and promote the conservation of
20 soil and water resources in Puerto Rico, the Secretary, on
21 application of any owner of a farm in Puerto Rico, is hereby
22 authorized, whenever he determines it to be in the public
23 interest and to facilitate the sale or rental of land for other
24 productive purposes, to transfer the sugarcane production
25 record for any parcel or parcels of land in Puerto Rico

1 owned by the applicant to any other parcel or parcels of land
2 owned by such applicant in Puerto Rico.”.

3 SEC. 15. Section 405 of such Act is amended by in-
4 serting “(a)” at the beginning thereof and by adding the
5 following new paragraph:

6 “(b) Any person whose sugar processing operations
7 otherwise meet the requirements of section 101 (n) and who
8 subjects to such processes sugar imported or brought into the
9 continental United States under a declaration that it is
10 raw sugar but which sugar subsequently is determined to
11 be of direct-consumption quality and to be in excess of the
12 direct-consumption portion of the applicable quota or pro-
13 ration or allotment thereof, shall forfeit to the United States
14 a sum equal to 1 cent per pound for each pound, raw value,
15 of such sugar in excess of the direct-consumption portion of
16 the applicable quota or proration or allotment thereof, which
17 forfeiture shall be recoverable in a civil suit brought in the
18 name of the United States.”

19 SEC. 16. Section 407 of such Act is amended by adding
20 at the end thereof the following sentence: “The provisions
21 of this section shall not apply to persons whose services are
22 obtained pursuant to section 305.”.

23 SEC. 17. Section 411 of such Act is renumbered as
24 section 412, section 412 of such Act is renumbered as sec-
25 tion 413 and a new section 411 inserted as follows:

1 “SEC. 411. The Secretary is authorized to issue such
2 regulations as may be necessary to carry out article 7 of
3 the International Sugar Agreement for the Regulation of
4 the Production and Marketing of Sugar (ratified by and
5 with the advice and consent of the United States Senate on
6 April 29, 1954), restricting importation of sugar into the
7 United States from foreign countries not participating in
8 such agreement, or to carry out the corresponding provisions
9 of any such future agreements ratified by and with the
10 advice and consent of the United States Senate.”

11 SEC. 18. Renumbered section 412 of such Act (relating
12 to termination of the powers of the Secretary under the Act)
13 is amended by striking out “1956” in each place it appears
14 therein and inserting in lieu thereof “1960”.

15 SEC. 19. A new section 414 is added to such Act as
16 follows:

17 “SEC. 414. (a) To alleviate the conditions which exist
18 in the continental United States sugar-producing areas by
19 reason of the quantities of surplus overquota sugar produced
20 in such areas, the Commodity Credit Corporation shall carry
21 out loans, purchases, or other operations with respect to
22 one hundred thousand short tons of sugar produced from the
23 1955 or previous crops in such areas.

24 “(b) Sugar acquired hereunder shall be disposed of out-
25 side the continental United States in such manner as the Cor-

poration determines will not unduly interfere with normal marketings of sugar, including dispositions under the Agricultural Trade Development and Assistance Act of 1954, as amended.

~~“(c) No borrower shall be personally liable for any deficiency arising from the sale of the sugar securing any loan made under authority of this section, unless such loan was obtained through fraudulent representations by the borrower. This provision shall not, however be construed to prevent Commodity Credit Corporation from requiring the borrower to assume liability for deficiencies in the quality or quantity of sugar delivered under the loan, for failure to properly care for and preserve such sugar, or for failure or refusal to deliver the sugar in accordance with the requirements of the program.~~

~~“(d) Sugar acquired hereunder shall not be subject to the provisions of title II of this Act.”~~

SEC. 20. Sections 4501 (c) and 6412 (d) (relating to the termination of taxes on sugar) of the Internal Revenue Code of 1954 are amended by striking out “1957” in each place it appears therein and inserting in lieu thereof “1961”.

SEC. 21. Section 4502 (4), chapter (4), subchapter A, “Sugar”, of the Internal Revenue Code of 1954 is amended as follows: Strike out the parenthetical word ~~“(Clerget)”~~

1 where it occurs in the first sentence and delete the second
2 sentence thereof.

3 SEC. 22. (a) Section 4504, chapter 37, subchapter A,
4 "Sugar", of the Internal Revenue Code of 1954 is amended
5 by adding before the period at the end thereof the following:
6 "and except that such tax may be subject to refunds as a tax
7 under the provisions of section 6418 (a)".

8 (b) Section 6418 (a) of chapter 65 of the Internal Rev-
9 enue Code of 1954 is amended by striking out the "(a)"
10 immediately following "section 4504".

11 SEC. 23. The amendments made hereby shall become
12 effective January 1, 1956, except as otherwise designated and
13 except that required determinations and regulations may be
14 issued in 1955 for the calendar year 1956.

15 That section 101 (d) of the Sugar Act of 1948, as
16 amended, is amended to read as follows:

17 "(d) The term 'raw sugar' means any sugars (exclusive
18 of liquid sugar from foreign countries having liquid sugar
19 quotas), whether or not principally of crystalline structure,
20 which are to be further refined or improved in quality to pro-
21 duce any sugars principally of crystalline structure or liquid
22 sugar."

23 SEC. 2. Section 101 (e) of such Act is amended to
24 read as follows:

25 "(e) The term 'direct-consumption sugar' means any

1 sugars principally of crystalline structure and any liquid
2 sugar (exclusive of liquid sugar from foreign countries hav-
3 ing liquid sugar quotas), which are not to be further refined
4 or improved in quality.”

5 SEC. 3. Section 101 (i) of such Act is amended by
6 deleting the parenthetical word “(Clerget)”.

7 SEC. 4. Section 101 of such Act is amended by adding
8 at the end thereof a new paragraph to read as follows:

9 “(n) The term ‘to be further refined or improved in
10 quality’ means to be subjected substantially to the processes
11 of (1) affination or defecation, (2) clarification, and (3)
12 further purification by adsorption or crystallization. The
13 Secretary is authorized, after such hearing and upon such
14 notice as he may by regulations prescribe, to determine
15 whether specific processes to which sugars are subjected are
16 sufficient to meet the requirements of this paragraph (n)
17 and whether sugars of specific qualities are raw sugar within
18 the meaning of paragraph (d) of this section, or direct-
19 consumption sugar within the meaning of paragraph (e) of
20 this section.”

21 SEC. 5. Section 201 of such Act is amended by striking
22 in the second sentence thereof the words “1947 prior to the
23 termination of price control of sugar” and inserting in lieu
24 thereof “1947-1949”.

1 *SEC. 6. Section 202 (a) of such Act is amended to*
 2 *read as follows:*

3 *“(a) (1) For domestic sugar-producing areas by appor-*
 4 *tioning among such areas four million four hundred and*
 5 *forty-four thousand short tons, raw value, as follows:*

<i>“Area</i>	<i>“Short tons, raw value</i>
<i>“Domestic beet sugar-----</i>	<i>1,800,000</i>
<i>Mainland cane sugar-----</i>	<i>500,000</i>
<i>Hawaii-----</i>	<i>1,052,000</i>
<i>Puerto Rico-----</i>	<i>1,080,000</i>
<i>Virgin Islands-----</i>	<i>12,000</i>

6 *“(2) To the above total of four million four hundred*
 7 *forty-four thousand short tons, raw value, there shall be*
 8 *added an amount equal to 55 per centum of the amount by*
 9 *which the Secretary’s determination of requirements of con-*
 10 *sumers in the continental United States for the calendar year*
 11 *exceeds eight million three hundred and fifty thousand short*
 12 *tons, raw value. Such additional amount shall be apportioned*
 13 *among and added to the quotas established under paragraph*
 14 *(1) of this subsection for such domestic sugar-producing*
 15 *areas, respectively, as follows: (A) The first one hundred*
 16 *sixty-five thousand short tons, raw value, or any part thereof,*
 17 *by which quotas for the domestic areas are so increased*
 18 *shall be apportioned 51.5 per centum to the domestic beet*
 19 *sugar area and 48.5 per centum to the mainland cane sugar*
 20 *area; (B) the next twenty thousand short tons, raw value,*
 21 *or any part thereof, by which such quotas are so increased*

1 shall be apportioned to Puerto Rico; (C) the next three
2 thousand short tons, raw value, or any part thereof, by
3 which such quotas are so increased shall be apportioned
4 to the Virgin Islands; (D) any additional amount shall be
5 apportioned on the basis of the quotas established in para-
6 graph (1) of this subsection as adjusted by subparagraphs
7 (A), (B), and (C) of this paragraph (2).”

8 SEC. 7. Section 202 (c) of such Act is amended by
9 striking out “For” after “(c)” and inserting in lieu thereof
10 “(1) For the calendar year 1956, for” and by adding at
11 the end thereof the following new paragraphs:

12 “(2) For the calendar year 1957 and for each subse-
13 quent calendar year for foreign countries other than the Re-
14 public of the Philippines, by prorating (A) to Cuba 96 per
15 centum and (B) to other foreign countries 4 per centum of the
16 amount of sugar, raw value, by which eight million three
17 hundred and fifty thousand short tons or such lesser amount
18 as determined pursuant to section 201 exceeds the sum of
19 four million four hundred and forty-four thousand short
20 tons, raw value, and the quotas established pursuant to
21 subsection (b) of this section; and by prorating 45 per centum
22 of the amount of sugar, raw value, by which the amount
23 determined pursuant to section 201 exceeds the sum of eight

1 million three hundred and fifty thousand short tons as
2 follows:

<i>Country</i>	<i>Per centum</i>
<i>Cuba</i> -----	33.8
<i>Peru</i> -----	4.0
<i>Dominican Republic</i> -----	2.0
<i>Mexico</i> -----	4.0
<i>Other countries</i> -----	1.2
	<u>45.0</u>

3 The above proration of 1.2 per centum to foreign countries
4 other than Cuba, the Republic of the Philippines, Peru, the
5 Dominican Republic, and Mexico shall be apportioned on
6 the basis of the apportionments to such countries under para-
7 graph (3) of this subsection.

8 “(3) For the calendar year 1957, the proration of 4
9 per centum under paragraph (2) (B) of this subsection for
10 foreign countries other than Cuba and the Republic of the
11 Philippines shall be apportioned, first, by assigning to each
12 such foreign country whose average entries within the quotas
13 during the years 1953 and 1954 were less than one thousand
14 short tons, raw value, a proration equal to its average entries
15 within the quotas during 1953 and 1954, and second, by
16 assigning to each such foreign country whose average entries
17 within the quotas during 1953 and 1954 were not less than
18 one thousand nor more than two thousand short tons, raw
19 value, a proration of three thousand short tons, raw value,
20 and third, by assigning to each foreign country whose average
21 entries within the quotas during 1953 and 1954 were not less

1 *than two thousand nor more than ten thousand short tons,*
2 *raw value, a proration equal to the average entries from*
3 *each such country within the quotas during 1953 and 1954,*
4 *plus one thousand short tons, raw value, and fourth, by*
5 *prorating the balance of such quota to such foreign countries*
6 *whose average entries within the quotas during 1953 and*
7 *1954 exceeded ten thousand short tons, raw value, on the*
8 *basis of the average entries within the quotas from each such*
9 *country for the years 1951, 1952, 1953, and 1954.*

10 *“For the calendar year 1958 and for each subsequent*
11 *calendar year, the proration of 4 per centum under para-*
12 *graph (2)(B) of this subsection for foreign countries other*
13 *than Cuba and the Republic of the Philippines shall be ap-*
14 *portioned, first, by assigning to each such foreign country*
15 *whose average entries within the quotas during the years*
16 *1953 and 1954 were less than one thousand short tons, raw*
17 *value, a proration equal to its average entries within the*
18 *quotas during 1953 and 1954, and second, by prorating*
19 *the balance of such quota among the remainder of such*
20 *countries on the basis of the final quotas established for such*
21 *countries pursuant to this section for the calendar year 1957.”*

22 *SEC. 8. Section 202 of such Act is amended by adding*
23 *the following new subsection:*

24 *“(e) Whenever in any year any foreign country with*
25 *a quota proration thereof of more than ten thousand short*

1 tons fails to fill such quota or proration by more than 10
2 per centum and at any time during such year the world
3 price of sugar exceeds the domestic price, the quota or pro-
4 ration thereof for such country for subsequent years shall be
5 reduced by an amount equal to the amount by which such
6 country failed to fill its quota or proration thereof, unless
7 the Secretary finds that such failure was due to crop disaster
8 or force majeure or finds that such reduction would be con-
9 trary to the objectives of this Act. Any reduction hereunder
10 shall be prorated in the same manner as deficits are prorated
11 under section 204.”

12 SEC. 9. (a) The second sentence of section 204 (a)
13 of such Act is amended by inserting before the period at the
14 end thereof a colon and the following: “Provided, That any
15 deficit in any domestic sugar-producing area occurring by
16 reason of inability to market that part of the quota for such
17 area allotted under the provisions of section 202 (a) (2)
18 shall first be prorated to other domestic areas on the basis
19 of the quotas then in effect”.

20 (b) The last paragraph of section 204 (a) of such Act
21 is amended by inserting before the period at the end thereof
22 a semicolon and the following: “except that in the case of
23 proration of any such deficit in any domestic sugar-producing
24 area occurring by reason of inability to market that part of
25 the quota for such area allotted under and by reason of

1 section 202 (a) (2), the Secretary shall apportion the
2 unfilled amount on such basis and to such other domestic
3 areas as he determines is required to fill such deficit, and if
4 he finds that no domestic area will be able to supply such
5 unfilled amount, he shall add it to the quota for Cuba”.

6 SEC. 10. Section 205 (a) of such Act is amended by
7 inserting immediately before the final sentence thereof the
8 following: “In making such allotments, the Secretary may
9 also take into consideration and make due allowance for the
10 adverse effect of drought, storm, flood, freeze, disease, in-
11 sects, or other similar abnormal and uncontrollable conditions
12 seriously and broadly affecting any general area served by
13 the factory or factories of such person.”.

14 SEC. 11. (a) Section 207 (a) of such Act is amended
15 by adding after the word “year” the following: “, plus an
16 amount equal to the same percentage of twenty-nine thousand
17 six hundred and sixteen short tons, raw value, that the in-
18 crease in the quota for Hawaii under section 202 is of one
19 million fifty-two thousand short tons, raw value”.

20 (b) Section 207 (b) of such Act is amended by striking
21 the period at the end thereof and by adding the following:
22 “which shall be principally of crystalline structure, plus an
23 amount equal to the same percentage of one hundred twenty-
24 six thousand and thirty-three short tons, raw value, that
25 the increase in the quota for Puerto Rico under section 202

1 is of one million eighty thousand short tons, raw value, which
2 latter amount may be filled by direct-consumption sugar
3 whether or not principally of crystalline structure.”.

4 SEC. 12. Section 207 (h) of such Act is amended by
5 striking out “The” after “(h)” and inserting in lieu thereof
6 “(1) For the calendar year 1956, the” and by adding the
7 following new paragraph:

8 “(2) For the calendar year 1957 and each subsequent
9 calendar year, the quota for foreign countries other than
10 Cuba and the Republic of the Philippines may be filled by
11 direct-consumption sugar to the extent of 1.36 per centum of
12 the amount of sugar determined pursuant to section 201 less
13 the sum of the quotas established in subsections (a) and (b)
14 of section 202: Provided, That such limitation shall not apply
15 to countries receiving prorations under section 202 (c) of
16 seven thousand short tons or less. The direct-consumption
17 portion of such quota which is subject to the 1.36 per
18 centum limitation referred to above shall be prorated to
19 countries which receive prorations under section 202 (c)
20 of more than seven thousand short tons on the basis of aver-
21 age imports of direct-consumption sugar within the quota for
22 the years 1951, 1952, 1953, and 1954.”

23 SEC. 13. Section 301 (b) of such Act is amended by
24 inserting after the words “(or processed)” the following:

1 “, except for livestock feed, or for the production of livestock
2 feed, as determined by the Secretary.”.

3 SEC. 14. Section 302 (b) of such Act is amended by
4 inserting after “(or processed)” the words “within the pro-
5 portionate share” and by striking the period at the end there-
6 of and inserting the following: “and of the producers in any
7 local producing area whose past production has been ad-
8 versely, seriously, and generally affected by drought, storm,
9 flood, freeze, disease, insects, or other similar abnormal and
10 uncontrollable conditions. For the purposes of establishing
11 proportionate shares hereunder and in order to encourage
12 wise use of land resources, foster greater diversification of
13 agricultural production, and promote the conservation of
14 soil and water resources in Puerto Rico, the Secretary, on
15 application of any owner of a farm in Puerto Rico, is hereby
16 authorized, whenever he determines it to be in the public
17 interest and to facilitate the sale or rental of land for other
18 productive purposes, to transfer the sugarcane production
19 record for any parcel or parcels of land in Puerto Rico
20 owned by the applicant to any other parcel or parcels of land
21 owned by such applicant in Puerto Rico.”.

22 SEC. 15. Section 405 of such Act is amended by in-
23 serting “(a)” at the beginning thereof, by striking out “(a)”.

1 and “(b)” and inserting in lieu thereof “(1)” and “(2)”,
2 respectively, and by adding the following new subsection:

3 “(b) Any person whose sugar processing operations
4 otherwise meet the requirements of section 101 (n) and
5 who subjects to such processes sugar imported or brought
6 into the continental United States under a declaration that
7 it is raw sugar but which sugar subsequently is determined
8 to be of direct-consumption quality, shall forfeit to the
9 United States a sum equal to 1 cent per pound for each
10 pound, raw value, of such sugar in excess of that part of
11 the direct-consumption portion of the applicable quota or
12 proration or allotment thereof remaining unfilled at the time
13 of such determination, which forfeiture shall be recoverable
14 in a civil suit brought in the name of the United States.”

15 SEC. 16. Section 407 of such Act is amended by adding
16 at the end thereof the following sentence: “The provisions
17 of this section shall not apply to persons whose services are
18 obtained pursuant to section 305.”.

19 SEC. 17. Section 411 of such Act is renumbered as
20 section 412, section 412 of such Act is renumbered as sec-
21 tion 413, and a new section 411 inserted as follows:

22 “SEC. 411. The Secretary is authorized to issue such
23 regulations as may be necessary to carry out article 7 of
24 the International Sugar Agreement for the Regulation of
25 the Production and Marketing of Sugar (ratified by and

1 with the advice and consent of the United States Senate on
2 April 29, 1954), restricting importations of sugar into the
3 United States from foreign countries not participating in
4 such agreement, or to carry out the corresponding provisions
5 of any such future agreements ratified by and with the
6 advice and consent of the United States Senate.”

7 SEC. 18. Renumbered section 412 of such Act (relating
8 to termination of the powers of the Secretary under the Act)
9 is amended by striking out “1956” in each place it appears
10 therein and inserting in lieu thereof “1962”.

11 SEC. 19. Sections 4501 (c) and 6412 (d) (relating to
12 the termination of taxes on sugar) of the Internal Revenue
13 Code of 1954 are amended by striking out “1957” in each
14 place it appears therein and inserting in lieu thereof “1963”.

15 SEC. 20. Section 4502 (4), chapter 37, subchapter A,
16 “Sugar”, of the Internal Revenue Code of 1954 is amended
17 as follows: Strike out the parenthetical word “(Clerget)”
18 where it occurs in the first sentence and delete the second
19 sentence thereof.

20 SEC. 21. (a) Section 4504, chapter 37, subchapter A,
21 “Sugar”, of the Internal Revenue Code of 1954 is amended
22 by adding before the period at the end thereof the following:
23 “and except that such tax may be subject to refunds as a tax
24 under the provisions of section 6418 (a)”.

25 (b) Section 6418 (a) of chapter 65 of the Internal

1 *Revenue Code of 1954 is amended by striking out the “(a)”*
2 *immediately following “section 4501”.*

3 *SEC. 22. Except as otherwise provided, the amendments*
4 *made hereby shall become effective as of January 1, 1956,*
5 *except that sections 1 through 4 shall become effective upon*
6 *publication in the Federal Register of regulations imple-*
7 *menting such sections, or six months after the date of enact-*
8 *ment of this Act, whichever is earlier.*

Passed the House of Representatives July 30, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 1482

84TH CONGRESS
2D SESSION

H. R. 7030

[Report No. 1461]

AN ACT

To amend and extend the Sugar Act of 1948, as amended, and for other purposes.

AUGUST 2, 1955

Read twice and referred to the Committee on Finance

JANUARY 26 (legislative day, JANUARY 16), 1956

Reported with an amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued February 8, 1956
For actions of February 7, 1956
84th-2nd, No. 21

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HIGHLIGHTS: House passed Treasury-Post Office appropriation bill, and urgent deficiency appropriation bill for 1956. House and Senate Agriculture subcommittees ordered reported measures to increase acreage allotments of burley, fire-cured, dark air-cured, and Maryland tobacco. Senate debated bill to amend and extend Sugar Act. Rep. Dixon introduced and discussed bill to establish national seed-storage facility. Rep. Christopher spoke favoring 90 percent price supports for all farm products.

HOUSE

1. APPROPRIATIONS. Passed with amendments H. R. 9063, the urgent-deficiency appropriation bill for 1956. Agreed to an amendment by Rep. Rabaut increasing funds available to the Corps of Engineers to \$330,000 for general flood control investigations and an amendment by Rep. Boland increasing to \$34,436,000 funds available to the Corps of Engineers for the construction of flood control works, pp. 1933, 1943, 1945, 1952
Passed without amendment H. R. 9064, the Treasury-Post Office appropriation bill for 1957. pp. 1923, 1952
2. TOBACCO. The tobacco subcommittee of the Agriculture Committee ordered reported to the full committee H. J. Res. 455, to increase burley tobacco acreage allotments and marketing quotas, H. J. Res. 515, to increase fire-cured and dark air-cured tobacco acreage allotments and marketing quotas, and (the Daily Digest states) "an original joint resolution which would increase farm acreage allotments for Maryland tobacco." p. D99

3. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 412, to authorize the construction, operation, and maintenance of the Fryingpan-Arkansas reclamation project, Colo. (H. Rept. 1749). p. 1960
The irrigation and reclamation subcommittee of the Interior and Insular Affairs Committee ordered reported with amendment H. R. 5975, to provide for the reimbursement of owners of lands acquired under the Federal reclamation laws for their moving expenses, and without amendment H. R. 6268, to provide for the use of appropriated funds by the Secretary of Interior in contracts for the construction of drainage works and other minor items on Federal reclamation projects. p. D100.
4. LEGISLATIVE PROGRAM. The Majority Leader announced that consideration of S. 180, relating to the Washita River Basin reclamation project, Okla., is scheduled for Wed., Jan. 8. p. 1952

SENATE

5. SUGAR. Began debate on H. R. 7030, to amend and extend the Sugar Act of 1948. Adopted amendment by Sen. Byrd of a technical and corrective nature.
Sens. Fulbright and Capehart submitted amendments intended to be proposed by them to the bill. pp. ~~1858~~, 1860, 1869, 1874, 1890, ~~1897~~
6. TOBACCO. The tobacco subcommittee of the Agriculture and Forestry Committee ordered reported to the full committee S. J. Res. 111, to increase allotments and quotas for burley tobacco, and S. J. Res. 136, to increase allotments and quotas for fire-cured and dark air-cured tobacco. Subcommittee tentatively agreed to an original joint resolution which would increase farm acreage allotments for Maryland tobacco. p. 1898
7. FLOOD INSURANCE. Sen. Neuberger spoke on the importance of Federal flood insurance to reimburse families for tragic losses, and inserted several articles and letters on the matter. p. 1861
8. DISASTER RELIEF. Sen. Thye defended the Administration's record in aiding small business firms, including disaster loans to relieve the damage caused by hurricanes and floods. p. 1865, 1868
9. RECLAMATION. Received a report of the Department of Interior on the Winslow unit, Nebr., of the Missouri River Basin project. p. 1856

ITEMS IN APPENDIX

10. POSTAL RATES. Extension of remarks of Rep. Dingell criticizing the administration's proposed postal rate increases. p. A1183
Rep. Bulter inserted a newspaper article stating that "the disposition of the Congress... is to reject a proposed increase in postal rates". p. A1241
11. FARM PROGRAM. Sen. Welker commended and inserted a newspaper article, "Let The Farmers Run Their Own Business--They Can Do It Better, And At No Cost To The Taxpayer". p. A1202
Rep. Forand inserted Sen. Anderson's recent address before a division of the Democratic National Committee stating that "anyone who walks the corridors of the Capitol today finds his elected representatives absorbed by two problems: The farm problem and the problem of our foreign relations," and that

Mr. JOHNSON of Texas. I announce that the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. McNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. McNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness, and, if present and voting, he would vote "yea."

The result was announced—yeas 90, nays 0, as follows:

YEAS—90

Aiken	Flanders	Martin, Iowa
Allott	Frear	Martin, Pa.
Anderson	Fulbright	McCarthy
Barkley	George	McClellan
Barrett	Goldwater	Monroney
Beall	Gore	Morse
Bender	Green	Mundt
Bennett	Hayden	Murray
Bible	Hennings	Neely
Bricker	Hickenlooper	Neuberger
Bridges	Hill	Pastore
Bush	Holland	Payne
Butler	Hruska	Potter
Byrd	Humphrey	Purtell
Capehart	Ives	Robertson
Carlson	Jackson	Saltontall
Case, N. J.	Jenner	Schoeppel
Case, S. Dak.	Johnson, Tex.	Scott
Chavez	Johnston, S. C.	Smathers
Clements	Kefauver	Smith, Maine
Cotton	Kerr	Sparkman
Curtis	Kilgore	Stennis
Daniel	Knowland	Symington
Dirksen	Kuchel	Thurmond
Douglas	Langer	Thye
Duff	Lehman	Watkins
Dworshak	Long	Welker
Eastland	Magnuson	Wiley
Ellender	Malone	Williams
Ervin	Mansfield	Young

NAYS—0

NOT VOTING—6

Kennedy	Millikin	Russell
McNamara	O'Mahoney	Smith, N. J.

So the resolution (S. Res. 205) was agreed to.

Mr. JOHNSON of Texas subsequently said: Mr. President, pursuant to the resolution agreed to earlier today to create a select committee, which resolution was offered by the distinguished minority leader and myself, I submit as recommendations from the majority side the name of the senior Senator from Georgia [Mr. GEORGE], the President pro tempore of this body, and chairman of the Committee on Foreign Relations. The Senator from Georgia is the senior Member of the Senate, the dean of the Senate. He first entered the Senate in 1922, and he opposed the natural-gas bill passed yesterday.

In addition, I submit the name of the distinguished senior Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Appropriations, formerly the chairman of the Committee on Rules and Administration. The Senator from Arizona first entered Congress in 1912, and was elected to the Senate in 1927. He favored the passage of the bill passed yesterday.

Mr. KNOWLAND. Mr. President, on behalf of the minority, I submit, as the minority representatives on the select committee, the names of the distinguished senior Senator from New Hampshire [Mr. BRIDGES], formerly the President pro tempore of the Senate, and the distinguished senior Senator from Minnesota [Mr. THYE], formerly the governor of his State.

The VICE PRESIDENT. The Chair, following the recommendations made by the majority leader and the minority leaders, appoints as members of the select committee the Senators named by the majority leader and the minority leader.

The Chair believes that these appointments will meet with the approval of all Members of the Senate on several scores, but particularly, as the Senator from Texas has indicated, because two Members from each side voted against the bill. The committee, therefore, is well balanced and is also one composed of Members having high seniority in the Senate.

Mr. JOHNSON of Texas. I wish to call the attention of the Vice President to the first sentence of section 2 of the resolution agreed to earlier, as follows:

The Vice President shall appoint 2 Members from the majority and 2 Members from the minority Members of the Senate who shall constitute the select committee.

The reason for this is that in a closely divided case, involving a fellow Member, it was felt that the committee should be as nonpartisan as possible. Normally in legislative committees the majority party has an additional member or members; but in a situation such as this, in accordance with Senate precedent and tradition, it was felt that that should not be the case.

Section 2 of the resolution further provides:

A chairman shall be selected from among the members appointed upon their first meeting to be called by the Vice President.

Section 3 provides as follows:

The select committee is hereby authorized, and directed to conduct an immediate investigation of these circumstances and report its findings and recommendations to the Senate at the earliest possible date, in no even later than March 1, 1956, and upon the filing of its report, the select committee shall cease to exist.

I hope the Vice President will take notice of the necessity of calling a meeting of the select committee, so that the Senators can proceed with the investigation.

I feel certain that the committee can complete its deliberations within the time prescribed in the resolution; but in case they cannot, the minority leader and I will certainly be willing to discuss whatever problems they may have and, if necessary, propose an extension of a few days or to whatever time seems advisable.

The VICE PRESIDENT. As soon as arrangements can be made to have the four Senators assemble together at a convenient place today, the organization meeting, over which the Vice President will preside, will be held. The committee can then commence its deliberations and its hearings.

INVESTIGATION OF CAMPAIGN CONTRIBUTIONS

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from the previous day, which will be stated.

The CHIEF CLERK. A resolution (S. Res. 206) to investigate circumstances connected with the tender of a campaign contribution to Senator CASE of South Dakota and any other contributions by persons in legislation involving the oil and gas industry of the United States.

Mr. HENNINGS. Mr. President, in view of the fact that the Subcommittee on Privileges and Elections met this morning and voted to meet again this afternoon for the consideration of the same subject matter, I ask unanimous consent that the resolution lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE UNEXPECTED DEATH OF RANDOLPH E. PAUL

Mr. LEHMAN. Mr. President, yesterday, in one of the committee rooms of the Congress, a vibrant and valuable life was snuffed out at its zenith.

An outstanding American citizen, the Honorable Randolph Paul—a friend and adviser to many of us—was seized with a heart attack and died.

He was in the midst of testimony before a committee of Congress. He was in the midst of offering the benefit of his great wisdom and experience in the field of finance and economics to the lawmakers of the Nation, just as he has been doing for many years; both formally in testimony and informally in the offices of the Senators and Members of the House of Representatives who were privileged to receive his counsel and advice.

He was for many years a Government servant, having risen to the eminence of General Counsel of the Treasury Department. But he had more than a title. He was a vital and driving force, or, rather, a guiding force, in the Government—trusted and respected, alike by his superiors in the Cabinet and in the White House, by his subordinates and coworkers, and by the Members of Congress with whom he came in contact during those days.

When he entered the Government service, he was already a highly successful tax attorney, an acknowledged expert in his field, who could and did command the confidence of some of the greatest corporations in America. He left a lucrative law practice to dedicate himself to Government service.

When he felt he had done all he could in Government, he returned to his law practice and resumed his representation—skillful and brilliant representation—of some of the great economic interests of America—private and corporate interests, Mr. President.

But Randolph Paul was one of those rare souls who was the master of his profession and never let his profession master him. Even while he was seeking to obtain for his clients the best possible treatment under the tax laws that

could be properly obtained, he was pointing out to the Members of Congress the loopholes in the tax laws that made it possible for him to serve his clients so well.

Only 2 years ago he completed a monumental work entitled "Taxation in the United States," which, I understand, is already considered one of the great and standard works on tax law—a work that will endure for many years as an authoritative volume of reference, as an invaluable textbook, on tax law.

But Randolph Paul was much more than a great technician, a great master of law, a great scholar and writer in his field. He was also a man of very zeal and profound dedication to liberal causes, and to those principles which he considered to be identified with good government. He was a man of gentle humor, of kindness, of never-failing courtesy—a man who was lovable and beloved because he in turn loved his fellow men.

To his widow and family in this hour of their grief, all of us extend our deepest condolence. We will miss Randolph Paul, but we have much by which to remember him. In his lifetime he builded his own monument.

EXTENSION OF SUGAR ACT OF 1948, AS AMENDED

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1482, H. R. 7030.

The PRESIDENT pro tempore. The Secretary will state the bill by title.

The CHIEF CLERK. A bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas.

Mr. DOUGLAS and Mr. KNOWLAND addressed the Chair.

The PRESIDENT pro tempore. The motion is not debatable during the morning hour. The question is on agreeing to the motion.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

Mr. FULBRIGHT. Mr. President, what is the purpose of the motion?

Mr. JOHNSON of Texas. I have moved to proceed to the consideration of the sugar bill.

Mr. DOUGLAS. I thank the majority leader for informing us of his unanimous-consent request. I appreciate it very much.

Mr. JOHNSON of Texas. I did not ask for unanimous consent. I moved that the Senate proceed to the consideration of H. R. 7030, the sugar bill, in accordance with repeated announcements by the majority leader. The motion has been agreed to.

Mr. DOUGLAS. Mr. President, will the majority leader yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. DOUGLAS. I take it that the majority leader intends to give us something sweet after the sour medicine we had to swallow. [Laughter.]

MARITIME ACADEMIES

Mr. BUTLER. Mr. President, I rise today to pay well-deserved tribute to several of my distinguished colleagues for a job eminently well done. Too often, in the press of Senate business, we are inclined to pass over accomplishments and to stress deficiencies or mistakes. It is a real personal pleasure and privilege for me to reverse the usual order.

I have in mind the report made to the Senate on Tuesday by the very able senior Senator from Washington [Mr. MAGNUSON], in his capacity as chairman of the Interstate and Foreign Commerce Committee, on the matter of maritime training and education in the United States.

The report covers a 5-month study by a subcommittee consisting of the Senator from Washington [Mr. MAGNUSON] and the distinguished junior Senator from Maine [Mr. PAYNE], during which hearings were held at the California Maritime Academy by the Senator from Washington and at the Kings Point Academy and the Maine, Massachusetts, and New York Maritime Academies, by the Senator from Maine.

The great mass of factual matter developed during the investigations, and through questionnaires directed to all phases of the maritime industry, and the findings and conclusions of the subcommittee, combine to afford the Congress and the responsible Government agencies, for the first time, a thoroughly comprehensive and authoritative picture of conditions and needs in the field of maritime training and education. The lack of such authoritative data, I need hardly recall, has been responsible for a great deal of confusion and uncertainty in Government decisions in recent years.

This report, with its well-documented conclusions and recommendations, should be exceedingly helpful to Senators in our coming consideration of H. R. 6043, to authorize permanent establishment of the United States Merchant Marine Academy at Kings Point. The subcommittee report stresses the need for continuation of this academy on a permanent basis. It also makes clear that the four State maritime academies in California, Maine, Massachusetts, and New York are fulfilling most successfully their function of educating officers fully qualified to carry on the duties and tradition of our merchant marine, and calls for an assurance of a continuation of Federal financial support to these splendid academies.

I heartily congratulate and commend both the Senator from Washington and the Senator from Maine for their untiring and outstanding efforts in carrying out the mandate of the Senate as expressed in Senate Resolution 35, of the 1955 session. I feel it proper also to add a word of commendation for the members of the subcommittee staff who worked so diligently.

I ask unanimous consent that at this point in my remarks there be inserted in the RECORD the letter I addressed to the Senator from Washington on November 22, urging favorable consideration of the bill to make the Kings Point Academy permanent, and pointing out the equal importance of continuing Fed-

eral support to the four State maritime academies.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 22, 1955.

Hon. WARREN G. MAGNUSON,
Chairman, Interstate and Foreign Commerce Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR: Knowing that you are in the process of conducting the study concerning our maritime training program, as authorized and contemplated by Senate Resolution 35 of the 84th Congress, 1st session, I should like to take this opportunity to make my views known for the record.

Turning first to the question of the number of newly licensed officers needed each year to man our American-flag merchant vessels, I am of the opinion that in peacetime the industry requires and can absorb between 1,000 and 1,500 freshly commissioned officers annually. This estimate is based upon 2 factors: First, a rule of thumb that there is approximately 10-percent attrition of licensed personnel each year; and, second, that the consensus of industry representatives and the authorities in the Maritime Administration reflects an informed view that 1,000 to 1,500 new officers are required annually.

It seems to me that the next matter of critical significance is the question of the number of new officers being licensed annually. As I understand it, the 4 State maritime academies and the United States Merchant Marine Academy at Kings Point are presently graduating approximately 450 to 500 graduates yearly. I am further advised that in 1954, and in 1955 to date, less than 300 new licenses per annum have been issued by the Coast Guard to men "up from the hawsepipes." Therefore it would appear to follow that our present annual needs are not being met, let alone exceeded by the two traditional sources of officer personnel.

As to the cost of our maritime training program, it is my information that the Federal Government is spending approximately \$2,660,000 annually to maintain Kings Point and to participate as we are doing with the States of California, Maine, Massachusetts, and New York in the operation of their maritime academies. I am further informed that of this figure approximately \$2 million are being allocated to Kings Point and \$660,000 are being allocated to the 4 State institutions.

While it is difficult to rationalize how anyone with an appreciation of our critical need for a well manned privately owned merchant marine flying the American flag can question the wisdom of spending approximately \$2½ million on this officer-training program, I want the record to show that in my opinion this is a very small expenditure in relation to the value received by the United States. Indeed, while I feel that we should always try to improve our standard of past performance in the field of maritime officer training, I am convinced that any attempts to economize further by reducing our appropriations to these five schools would be "penny wise and pound foolish" in the extreme.

This brings me to the question of whether or not the graduates of Kings Point and the four State maritime academies are repaying to the Federal Government the moral obligation they have incurred by accepting the benefit of the Federal expenditures which have contributed to their education. I believe they have in ample measure, and for the following reasons: Contrary to the rumor that most of the academy graduates take their degrees and head inland for lucrative shore jobs, I understand that the evidence presented to your committee to date indicates that the great majority of the graduates of all five schools promptly obtain employment

this situation until the present administration came into office. Since 1953, the Bureau of the Budget, the Department of Defense, and all Government agencies have waged an aggressive campaign to stamp out this type of activity. Much progress has already been made. Much must yet be done. But the important fact is that we are getting action now and not just words. The net effect of such a campaign is to benefit small firms because many of the activities lend themselves to the operations of the smaller firm.

V. TAX RELIEF

Another area in which the present administration has taken action to benefit the small firm is the area of tax relief. During the 83d Congress, the Senate Small Business Committee issued Senate Report 442 entitled "Tax Problems of Small Business." Five concrete recommendations were made by the committee which were designed to alleviate the heavy tax burden of the small business concern. Since the Republican administration came into power in 1953, three of these recommendations were carried out. In addition, much progress has been made in a fourth recommendation. So, in whole or in part, the administration has taken affirmative action on 4 out of 5 of the recommendations of the Small Business Committee. I might add that the report of the committee was a unanimous report, with no dissents from either Republican or Democrat members. This, again, demonstrates the sincerity of the President and the administration in their efforts to stimulate the growth of our small business population.

I may say that the Senator from Alabama [Mr. SPARKMAN] the present chairman of the Small Business Committee in the 84th Congress and I, who served as chairman in the 83d Congress, have held many hearings on tax matters in an effort to get recommendations from small-business men on their tax problems. We made those recommendations known to the tax-writing committees in our determination and in the hope that we could be of service to small-business man and make certain that he had an opportunity to survive in our complex economic system.

The latest statistics from the quarterly report of the Securities and Exchange Commission and the Federal Trade Commission show that this effort is paying dividends. The third quarter report of 1955 shows that: Net profits after taxes, as a percent of sales for manufacturers with assets under \$250,000, increased from 1.1 percent in the second quarter to 2.2 percent in the third quarter. During the same reporting period, the profits of the largest corporations, those with assets of more than \$100 million, declined slightly from 7.4 percent in the second quarter to 7.1 percent in the third quarter. Based upon an annual rate of profit on stockholders' equity after taxes, the smallest group of companies' profit increased from 5.3 to 10.4 percent, while the profit of the large companies declined from 15 to 13.5 percent during the same period.

I have just been able to touch the high spots in the Eisenhower administration's

effort in behalf of small business. There are many other areas which could be mentioned, and much more could be said about the subjects which we have considered.

This is not intended to be a smug and self-satisfied approach. There are imperfections in many areas, and there always will be no matter which political party is in power. But a true reading of the facts will show that the Republican administration is aware of the need to maintain and stimulate the growth of the small-business economy of this Nation. It is taking decisive action in the three major fields of antitrust enforcement, the activities of the Small Business Administration, and the Government procurement programs.

Small business asks no special favors. It only asks that it be allowed to grow in an atmosphere of a free economy with open and fair competition available to all, whether it be large or small. History has shown that if that atmosphere prevails, we shall always be the recipients of the courage, ingenuity, and resourcefulness of small firms.

The American public has the habit of demanding the facts before judgments are cast. In this case, I am confident that the facts will rebut the idle contentions that the Republican administration is not concerned with small business. The facts demonstrate that small business is a partner in our unprecedented peacetime prosperity.

Mr. President, I yield the floor.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. PAYNE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PAYNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that Mr. Lawrence Myers, Director of the Sugar Division of the Commodity Stabilization Service, be permitted to have the privilege of the floor during the debate on the sugar bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, we have before us House bill 7030 to amend and extend the Sugar Act of 1948, as amended, which is known as the sugar bill.

Before proceeding, Mr. President, I ask unanimous consent to have the following change made at the desk to correct a printing error:

On page 19, line 25, after the word "quota", insert the word "or."

I ask that the clerk read the amendment and that it be adopted.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Virginia.

The LEGISLATIVE CLERK. On page 19, line 25, after the word "quota", it is proposed to insert the word "or."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. BYRD. Mr. President, the sugar market of the United States is by far the largest in the world. It is getting larger each year; in fact the most conservative estimates indicate that within the next 4 years the demand for sugar in the United States will increase by considerably more than a half-million tons. The per capita consumption in the United States is enormous compared with that of other countries.

Nevertheless, the potential production of sugar in the Western Hemisphere and the Philippines far exceeds the demand, and serious surpluses have existed and may again demoralize the industry unless some form of agreement and regulation is continued.

The bill which is now before the Senate, H. R. 7030, extends for a period of 6 years the Sugar Act of 1948, as amended and extended in 1951, with certain adjustments in quotas and with other amendments. The bill as reported by the Finance Committee adjusts the quotas allocated to the supplying countries and grants to producers in the United States a share in the growth of the United States sugar market which they do not now have, but which they did have prior to 1948.

The bill also extends until June 30, 1963, the excise tax on sugar in the Internal Revenue Code. The revenues from this tax have been, and should continue to be, more than sufficient to replace the costs to the Government under the Sugar Act.

A very thorough report on the bill has been printed and is in the hands of Senators, and I shall not burden the RECORD with a repetition of the details of that report.

The preamble of the Sugar Act of 1948 states the purpose of the act, namely, "to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes."

The act of 1948 superseded the 1937 act and extended the sugar program through December 31, 1952. The principal change made then was in the method of establishing quotas. It was known at that time that the Philippines would have large sugar deficits for several years following the war, whereas Cuba was in a position to supply large amounts. The United States has asked Cuba to increase very substantially its sugar production during the World War II emergency, and that country had responded generously.

For these reasons, and because too sudden a cutback in Cuban production following the war would have had serious effects, almost all the benefit of supplying increases in United States con-

sumption was given to Cuba for the duration of the act of 1948.

In 1951 the Sugar Act was extended from January 1, 1953, through December 31, 1956. Again the principal changes concerned the allocation of quotas. Cuba was granted 96 percent of the increase in United States consumption, and that share will continue to exist until December 31 of this year, or until some superseding act is put into effect. The same situation applies to the flat increase of 170,000 tons granted to Puerto Rico.

The bill H. R. 7030, as it came from the House, would have reduced Cuba's share in the increased demand from the present 96 percent to 25 percent. One proposal in the Finance Committee would have raised the Cuban share to 27 percent. However, the Committee by a majority vote felt that this was too sharp a cutback, even though Cuba may have been forewarned that the 96 percent share would not be theirs indefinitely. The committee therefore raised the Cuban share in future growth to 33.8 percent.

Mexico, under the present law, benefits by about four-tenths of 1 percent of the growth in the United States market. According to the testimony, that country is one of our best customers, and it has a large sugar-growing potential. The House bill would have granted Mexico a share of about 5 percent. One of the proposals in the Finance Committee was that Mexico be given a share of 1.9 percent, but a majority of the committee felt that a share of 4 percent was more realistic, and the bill as reported therefore grants a share of 4 percent to Mexico.

Other countries also have received substantial increases in shares of increased consumption demand. Under the present law Peru gets only 1.9 percent of the growth of the United States sugar market. The committee proposes that Peru's share be increased to 4 percent, more than double what Peru now has. The bill would also increase the share of the Dominican Republic from 1 percent to 2 percent; and the share of the other group of supplying countries is increased from seven-tenths of 1 percent to 1.2 percent.

Although these percentages do not seem large in themselves, they are substantial in tons of sugar and are of considerable importance to the countries concerned.

Attention is invited to the fact that the passage of the bill H. R. 7030 as reported by the Finance Committee would not cut back the production of sugar in Cuba or in any other country. No producer will be required to curtail output or to reduce acreage in order to conform to the new arrangements under this bill. On the contrary, every country involved will be entitled to continue its present production level, and it can expand production each year as the consumption increases in the United States. If the present rate of consumption increase continues, and the experts seem to agree that it will, producers will need to supply more than a half million more tons of sugar to the United States in the year 1960 than in the year that

has just passed. This increase will be shared by growers both in this country and elsewhere.

This brings me to what some persons consider to be the most important feature of the bill, namely, the provision which restores to domestic cane and beet sugar growers the right to participate in the supplying of the increase in the domestic demand for sugar. Prior to the 1948 act domestic producers were supplying slightly more than 55 percent of the domestic market. Under the 1948 act, as well as under the 1951 extension, domestic producers had no share at all in supplying the increases in domestic consumption. Since 1948 they have been producing on the basis of fixed and rigid quotas.

Actually, the acreage devoted to the production of cane and beet sugar in the United States has been sharply reduced, as required by law, because as improved strains, better production methods, and the use of fertilizers have developed, it has been possible to produce the quotas on smaller and smaller acreages. Therefore the law forced substantial cuts in acreages to prevent the production in tons of sugar from exceeding the quotas.

The House bill proposed that domestic growers be permitted to supply 50 percent of the consumption growth, with foreign suppliers to furnish the other 50 percent. After much study and many conferences with those concerned, the members of the committee worked out the formula of 55 percent for domestic growers and 45 percent for others. Largely because this restored the relationship which existed prior to the 1948 act, but also for other reasons, these respective shares were looked upon as the most equitable which could be attained, and they were adopted unanimously by the committee.

The distribution of the increase in domestic participation has also been the subject of many conferences and serious study.

The problem of distribution among domestic producing areas has been settled by almost complete agreement. Not every beet grower is completely satisfied, and some producers of sugarcane may feel that more should be allocated to them, but there seems to be general agreement among domestic producers.

The Finance Committee took a considerable amount of testimony and heard representatives of foreign producers as well as those representing domestic interests. The bill before the Senate is, in the committee's considered judgment, a fair and equitable compromise, and I hope that the Senate will accept it.

Before I conclude, there is one thing I wish to emphasize and to make perfectly clear. It is not intended that anything in the bill will cause any increase in the price of sugar. It certainly is not my intention in supporting the bill that the consumers of sugar in the United States should have to pay increased prices because of increased allocations to domestic sugar growers by reason of the measure.

This is one thing of which I wanted to make certain during the hearings, as

is borne out by the following discussion which I had with the Honorable True D. Morse, Under Secretary of Agriculture. The first question I asked of Mr. Morse after he had concluded his direct statement, and I quote from page 74 of the hearings, was:

The CHAIRMAN. Mr. Morse, in your opinion, would the statute have the effect of increasing the price of sugar?

Mr. MORSE. No, sir.

The CHAIRMAN. I have been told by users that they think it would increase the price by about 1 cent; is that correct, in your opinion?

Mr. MORSE. That is not my understanding, sir.

The CHAIRMAN. Now would there be the same amount of sugar available?

Mr. MORSE. Yes, sir.

The CHAIRMAN. The amount would be sufficient; I mean there would be sufficient sugar available for the needs of the country?

Mr. MORSE. Yes, sir. We have announced a consumption figure of 8,350,000 to start the year and, as is customary, as requirements begin to grow beyond that, there would be additions to this consumption estimate.

The CHAIRMAN. There is not a possibility, in your opinion that the price of sugar will be increased to the industrial users, or consumers, anywhere along the line?

Mr. MORSE. That is my understanding, and it is in keeping with the administration of the act in the Department.

This establishes the clear intent of the Department of Agriculture to administer the law if the bill be passed so that price increases will not result.

So that my position in this matter will be perfectly clear, I serve notice that I shall press for an investigation into the matter, if price increases should grow out of the passage of the bill. The preamble to the Sugar Act itself states that one of its prime purposes is, "to protect the welfare of consumers of sugar," and it is my intention to make certain that the purpose of the act is not overlooked in its administration.

I hope the Senate will adopt the bill as reported.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. ELLENDER. First, I wish to compliment my good friend, the Senator from Virginia, for the very clear statement he has made, and for his comprehensive outline of the reasons why the bill is necessary.

Is it not true that in the early part of this year the distinguished junior Senator from Utah [Mr. BENNETT] offered to the committee an amendment which was intended to take the place of the bill which the committee first reported to the Senate in the closing days of the last session?

Mr. BYRD. That is correct.

Mr. ELLENDER. Are we to understand that the Bennett amendment was very similar to the pending bill with this one exception: a change was made in the allocation among offshore producers of the 45-percent annual increase in American consumption?

Mr. BYRD. I think that is correct. There is another amendment, however, offered by the junior Senator from Florida [Mr. SMATHERS].

Mr. ELLENDER. I was coming to that.

It is my understanding that the original amendment proposed by the Senator from Utah [Mr. BENNETT], allocated the 45 percent by giving Cuba 60 percent of the 45 percent, or 27 percent of the total allotment of the extra sugar.

Mr. BYRD. That is correct.

Mr. ELLENDER. I notice in the bill that Cuba, instead of receiving 60 percent, is given almost 75 percent of the 45 percent. Was that incorporated by virtue of the amendment offered by the distinguished Senator from Florida [Mr. SMATHERS]?

Mr. BYRD. It was changed in the amendment offered by the Senator from Florida.

Mr. ELLENDER. I notice also, according to page 6 of the hearings, that a formula was decided upon as to how the remainder of the 45 percent should be distributed among the other countries which can supply sugar in our market. I wonder if we could have printed in the

RECORD, if the Senator has it available, the extent to which the formula which is written in the bill differs from that formula which was proposed in the original bill and in the amendment of the Senator from Utah [Mr. BENNETT].

Mr. BYRD. That information will be supplied and will be incorporated in the RECORD.

Mr. ELLENDER. The reason I am asking for this information is that it was my understanding that the bill, that is, the amendment which was submitted by the Senator from Utah [Mr. BENNETT], was one which had been agreed upon by the Departments of Agriculture, State, Interior, and, in fact, every interested department of our Government. Am I correct?

Mr. BYRD. That is correct.

Mr. ELLENDER. As I indicated, the only change which was made was that suggested by the distinguished Senator from Florida [Mr. SMATHERS].

Mr. BYRD. As I recall, that was no agreed to by the State Department.

Mr. ELLENDER. I understand that, and that is why I have asked the Senator from Virginia to place in the RECORD the variation in the allocation of the 45 percent, as between the amendment submitted by the Senator from Florida and what the original amendment proposed.

Mr. BYRD. Mr. President, I ask unanimous consent that that information which will be supplied may be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD subsequently said: Mr. President, I now have the information requested by the Senator from Louisiana, and I ask that it be printed in the RECORD.

The table is as follows:

Comparison of quotas under present legislation, House passed bill and Senate Finance Committee bill ¹

[1,000 short tons raw value]

	Beet	Mainland cane	Hawaii	Puerto Rico	Virgin Islands	Total domestic	Philippines	Cuba	Peru	Mexico	Dominican Republic	Other full duty	Total foreign
1956:													
1948 act.....	1,800	500	1,052	1,080	12	4,444	980	2,987	58	13	31	22	4,091
House.....	1,842	539	1,052	1,090	14	4,537	980	2,898	56	12	30	22	3,998
Senate Finance Committee.....	1,853	549	1,052	1,080	12	4,546	980	2,889	56	12	30	22	3,989
1957:													
1948 act.....	1,800	500	1,052	1,080	12	4,444	980	3,116	61	13	32	24	4,226
House.....	1,869	547	1,068	1,106	14	4,604	980	2,911	57	32	58	23	4,066
Senate Finance Committee.....	1,885	580	1,052	1,091	12	4,620	980	2,917	63	24	36	30	4,050
1958:													
1948 act.....	1,800	500	1,052	1,080	12	4,444	980	3,246	63	14	34	24	4,361
House.....	1,897	556	1,083	1,122	14	4,672	980	2,934	72	40	74	33	4,133
Senate Finance Committee.....	1,910	588	1,066	1,115	15	4,694	980	2,963	66	37	36	29	4,111
1959:													
1948 act.....	1,800	500	1,052	1,080	12	4,444	980	3,375	66	14	35	26	4,496
House.....	1,924	564	1,099	1,138	14	4,739	980	2,956	88	49	90	38	4,201
Senate Finance Committee.....	1,941	597	1,083	1,132	16	4,769	980	3,008	72	42	39	30	4,171
1960:													
1948 act.....	1,800	500	1,052	1,080	12	4,444	980	3,505	68	15	36	27	4,631
House.....	1,951	572	1,115	1,155	14	4,807	980	2,978	103	57	106	44	4,268
Senate Finance Committee.....	1,971	606	1,100	1,150	16	4,843	980	3,054	77	47	42	32	4,232
1961:													
1948 act.....	1,800	500	1,052	1,080	12	4,444	980	3,634	71	16	38	27	4,766
House.....	2,001	616	1,117	1,167	16	4,917	980	3,100	82	53	45	33	4,293
Senate Finance Committee.....	2,001	616	1,117	1,167	16	4,917	980	3,100	82	53	45	33	4,293
1962:													
1948 act.....	1,800	500	1,052	1,080	12	4,444	980	3,764	73	16	39	29	4,901
House.....	2,031	625	1,134	1,185	16	4,991	980	3,145	88	58	48	35	4,354
Senate Finance Committee.....	2,031	625	1,134	1,185	16	4,991	980	3,145	88	58	48	35	4,354

¹ Assumed requirements: 1956, 8,535; 1957, 8,670; 1958, 8,805; 1959, 8,940; 1960, 9,075; 1961, 9,210; 1962, 9,345.

² House bill extends only through 1960.

ORDER FOR ADJOURNMENT TO 11 O'CLOCK A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Virginia may yield to me, without losing the floor, and with the understanding that the unanimous consent request and the announcement I am about to make will appear at the conclusion of his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 11 o'clock a. m. tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I desire to announce that certain money resolutions are now being studied by the minority leader. Several of them have been cleared. I have asked the able Democratic whip, who will be acting majority leader tomorrow, since I expect to be away, to confer further with the minority leader. If it is agreeable with the Senator from Louisiana [Mr. ELLENDER], who is now on the floor, the resolutions which can be cleared will be brought up for action in the Senate tomorrow.

Mr. ELLENDER. Mr. President, does the Senator from Texas anticipate that action on the sugar bill will be completed today? I hope it will.

Mr. JOHNSON of Texas. We are hopeful action will be completed by tomorrow, at least.

I should like to say there are three resolutions which seek extensions, and

which should take very little time, and I should like to see noncontroversial resolutions cleared, even during the consideration of the unfinished business, because some serious problems are involved.

Mr. ELLENDER. I wish to say to the Senator from Texas that, as he knows, I have been very busy in the Committee on Agriculture and Forestry. I now hope to remain on the floor of the Senate until the sugar bill is passed. That will give me very little time to consider any resolutions. If the Senator will bear with me, so that I may examine them, I shall try to do so tonight; but if I cannot, I hope the Senator will be patient with me and let the resolutions go over until I can look into them. I give the Senator assurance that it is my hope that the Senate can consider all the resolutions before the holidays.

Mr. JOHNSON of Texas. The Senator from Texas knows of no Member of this

body who is more cooperative than is the chairman of the Committee on Agriculture and Forestry, or one who is more interested in the welfare and problems of the Nation. The Senator from Texas does not have many things in abundance, but he does have abundant patience. I will bear with the Senator from Louisiana, even though I expect to be in Texas. I will ask the acting majority leader to coordinate his efforts with the Senator from Louisiana. I am sure that if the resolutions cannot be acted on promptly, we can at least keep the committees functioning until action on the resolutions can be considered and disposed of.

Mr. ELLENDER. That is what I was about to suggest.

Mr. JOHNSON of Texas. The minority leader has already cleared some resolutions which are noncontroversial, for instance, two from the Committee on Foreign Relations. I am sure that when the Senator from Louisiana sees the list, he will also clear them, and the others can be extended.

Mr. FULBRIGHT. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. FULBRIGHT. I should like to inquire about Senate Resolution 197, which is a resolution opposing the sale of a Government-owned synthetic rubber plant at Institute, W. Va. Because of an existing regulation, that resolution must be acted upon before Saturday. I wondered if the Senate majority leader had intended to have the resolution brought up tomorrow.

Mr. JOHNSON of Texas. The majority leader hoped it could be. He does not want to speak for his successor who will be acting majority leader tomorrow. I shall talk to him about it. We have previously discussed it. No announcement was made that the resolution referred to by the Senator from Arkansas would be taken up. The Senator from Texas desires to cooperate with the chairman of the Banking and Currency Committee. I shall talk to the Senator from Kentucky [Mr. CLEMENTS] about it.

If we can get the bill of the Senator from Virginia [Mr. BYRD] passed we shall have plenty of time to consider all the other matters I have mentioned. However, we have a firm agreement that there will be no rollcalls after Wednesday evening until the following Wednesday, because of engagements made for Lincoln Day speeches.

Mr. FULBRIGHT. That is what disturbed me. I have no particular interest in the resolution, except the responsibility to see that something is done about it.

Mr. JOHNSON of Texas. If the Senator from Virginia is not successful in getting the sugar bill acted on today, it will not be in keeping with his usual record. He has the excellent record of saying less and having more bills passed than any other Member of the Senate. He is a very effective chairman of a committee. I hope that before the day is over the sugar bill will have been passed and sent to conference. If that is done, there will be ample time to consider the

resolution concerning the rubber plant, as well as other measures.

Mr. President, at this time I may as well announce what the other measures are. They comprise:

Calendar No. 1458, H. R. 7156, to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Fla.

Calendar No. 1210, H. R. 2889, to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah.

Calendar No. 1296, H. R. 6857, to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.

Calendar No. 1486, Senate Resolution 197, to oppose the sale of the Government-owned synthetic rubber plant at Institute, W. Va.

Calendar No. 1102, H. R. 6043, to amend the Merchant Marine Act of 1936.

MAINTENANCE OF MERCHANT MARINE ACADEMY

Mr. JOHNSON of Texas. Mr. President, I should like to ask the junior Senator from Maine [Mr. PAYNE] if there would be any objection to the consideration of Calendar No. 1102, H. R. 6043.

Mr. PAYNE. I have no objection.

Mr. JOHNSON of Texas. I made a commitment to have the bill considered.

Mr. President, I ask unanimous consent that the unfinished business be laid aside and that the Senate proceed to the consideration of Calendar No. 1102, H. R. 6043.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. PAYNE. Mr. President, reserving the right to object, and I shall not object, I ask unanimous consent to have included in the RECORD at this point a statement which I prepared in connection with the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PAYNE

I should like to state that I am very glad to have an opportunity today to support passage of H. R. 6043, a bill to give permanent status to the United States Merchant Marine Academy at Kings Point, N. Y. Last fall I had an opportunity to visit this fine institution and I was deeply impressed with the work which is being carried on there.

For the record, it should be made absolutely clear that passage of H. R. 6043 cannot be construed in any way as prejudicing the status of the four State maritime academies in Maine, Massachusetts, New York, and California. On January 31 a Senate Committee on Interstate and Foreign Commerce filed Senate Report No. 1465 (84th Cong.) on merchant marine training and education. That report discussed at some length the need for continuation of the maritime training programs at both Kings Point and the State academies. Sections 5 and 6 of the report discuss the status of these academies and the relations between them in some detail.

I ask unanimous consent that those sections of the committee report be printed at this point in the RECORD.

I should like to urge favorable action by the Senate on H. R. 6043.

The procedural objection which I made to enable me to make this brief statement is therefore withdrawn.

SENATE REPORT NO. 1465, 84TH CONGRESS, MERCHANT MARINE TRAINING AND EDUCATION

AID TO THE STATE ACADEMIES IN CALIFORNIA, MAINE, MASSACHUSETTS, AND NEW YORK SHOULD BE CONTINUED AT LEAST AT THE PRESENT LEVEL; AND APPROPRIATE LEGISLATION TO THAT END SHOULD BE ENACTED

The study conducted in accordance with Senate Resolution 35 reveals clearly the wisdom of continuing Federal aid to the State academies. First, our merchant fleet apparently needs between 1,000 and 1,600 newly licensed officers each year. Second, less than 500 new officers are being graduated annually from Kings Point and the 4 State academies, and less than 400 nonacademy men are being licensed each year. Third, the entire maritime training program is now costing the Federal Government about \$2,-660,000. Of that expense the State academies, now graduating more than half of all academy-trained men, are responsible for only about \$660,000. Fourth, from the industry replies to the subcommittee questionnaire it appears that while certain steamship companies prefer to employ the graduates of one maritime academy over those of another, generally speaking they rate graduates of all five academies as excellent and on a par with one another.

Until recent years there was no serious question but that it was advantageous to the United States to participate with the States of California, Maine, Massachusetts, and New York in financing their maritime academies. As pointed out in the introduction of this report (in the section dealing with the legislative background of the Federal maritime training program), since 1874 the Federal Government has taken numerous legislative steps to encourage various coastal States to train merchant marine personnel. However, not until just before World War II was it considered necessary to establish a Federal Academy. Even then there was no thought that the task would be taken over exclusively by the Federal Government. Indeed, our wartime need for trained merchant marine personnel was so great that Maine started its academy in 1941, after the United States Merchant Marine Academy at Kings Point was already in operation.

No one can read the hearings upon which this report is based without coming to the conclusion that the United States is, and will remain, deeply obligated to those four States for the invaluable services they have rendered this country in undertaking the burden of training merchant marine officers.

However, commencing in 1953, a series of administrative developments gave rise to the question of whether or not it would be better for the Federal Government to put all of its maritime training eggs in one basket—by turning the job of officer training over exclusively to either the Federal Academy at Kings Point or the four State academies. These developments have been discussed previously at pages 3-4 of this report and will not be labored further. It is sufficient to say that in the opinion of this committee it is obvious that not only is there need for Kings Point and the State academies but the United States derives great benefit from the present dual system. In the first place it would cost the United States considerably more than it is presently spending to train at Kings Point the number of students necessary to graduate approximately 500 new officers a year. In the second, this Nation benefits from constructive academic rivalry between the State academies, as a group, and Kings Point. The excellent engineering courses offered at

the State University of New York Maritime College, for example, are bound to exert a healthy influence on Kings Point and the other maritime academies. Likewise, the excellent practical shipboard training given at the Maine Maritime Academy should have a similar salutary effect.

Unfortunately, since 1954 when the issue was drawn that either Kings Point or the State academies had to be dropped from the maritime training program, the competition between these schools often has not been constructive in nature. While regrettable, it is understandable because the State academies on one hand and Kings Point on the other have felt that the continued existence of each depended upon proving that the Federal Government should abandon the other.

Another unfortunate development in recent years has been the administration's uncertain and wavering appropriations policy concerning the State academies. The fact that there has been such continuing and serious doubt as to whether the administration would ask for funds for the State academies has made it extremely difficult for those schools to maintain stability within their faculties and student bodies. During the hearings held at each of the schools the predominant theme that ran throughout was that the greatest service the Federal Government could render would be to establish a firm and reliable policy of continued financial participation with the four States in question. The authorities at each of these schools and the members of your committee recognize the difficulty of committing the Federal Government to any long-term program of financial participation; and yet, we believe the problem can be solved.

Therefore, in addition to the conclusion that the Federal Government should continue to aid the States of California, Maine, Massachusetts, and New York in the financing of their maritime academies, it is recommended that appropriate legislative action be taken to give these States the assurances they request and to which they are clearly entitled. This is in accord with the following statement of Mr. Clarence G. Morse, Maritime Administrator (at p. 415 of the hearings):

"It is frustrating to us, as I know it must be to the State schools, to have this question of the continuance of appropriations being raised every year, or every several years. We are very hopeful that not only Kings Point, but the State schools will be placed on a permanent basis. We think it is essential that they be so placed."

While your committee makes no specific recommendation as to the type of appropriate legislative action, it calls attention to the fact that similar problems have been solved. For an example, see the recent amendments to the Federal Airport Act (Public Law 211, 84th Cong., approved August 3, 1955), the primary purpose of which was to give the Secretary of Commerce, for use in making grants under the Federal Airport Act, annual contract authority in the amount of \$63 million for each of the fiscal years 1956-59. Similar advance assurances have been given States in recent years in connection with Federal-State highway programs.

Throughout the hearings and during the many conferences which preceded and followed them, the subcommittee noted that the representatives of the Kings Point Alumni Association and the Parents and Friends of Kings Point uniformly stated they were in favor of continued Federal aid to the State academies. On numerous occasions they stated that once Kings Point was assured its permanent status they would actively support appropriate legislation to accord the State academies the assurances of continued Federal aid to which they are entitled.

Of the many statements made during the hearings in support of continuing Federal aid to the State academies the following are typical:

Senator IRVING M. IVES said (pp. 252-253): "Through my association with both institutions I have become convinced that the continuance of the State schools in New York, Maine, Massachusetts, and California, together with the Kings Point Academy, is essential to our country's position as a maritime leader. * * *

"The complete picture of maritime training must encompass the State institutions as well as the Kings Point Academy. The New York State University Maritime College is the oldest institution of its kind in the United States. Together with the schools in Maine, Massachusetts, and California, it provides an important adjunct to the continued growth of a vital arm of the Nation's defense.

"To curtail the Federal contribution to the State schools would injure a training program which has maintained the highest standards since 1874."

Senator HERBERT H. LEHMAN said (p. 256):

"I believe with all my heart that the Federal Government should continue to assist and support State maritime schools. There is great need for the State schools and for their further expansion. * * *

"There is no question—there must be no question—of deciding between the Kings Point school and the State schools. Both, or rather all, are greatly needed, and needed in improved and expanded form. * * *

"I do not think it is either realistic or reasonable to suggest that the successful operation of the one demands the elimination or the weakening of the other. My own feeling is quite the opposite. The four State schools and the Kings Point Academy have combined in recent years to provide the finest trained young men as officers for the merchant marine of the United States."

Congressman FRANCIS E. DORN said (p. 270):

"I would say that the Merchant Marine Committee of the House felt that very definitely this bill, in passing it, did not affect the State institutions which they felt were doing an equally admirable job with Kings Point; and that they were putting first things first, making Kings Point a national institution and then intending to turn their light and their efforts on being of assistance and help to the State academies. They felt that nothing in what they were doing to help Kings Point become a national institution should reflect in any way on any of the State academies.

"I am sure if there was any thought of that in the minds either of the Merchant Marine and Fisheries Committee of the House of Representatives or of anyone in the House of Representatives, it could never have passed unanimously or have been reported unanimously."

Maritime Administrator Clarence G. Morse said (p. 410):

"The splendid contribution of the State academies to the growth and development of the American merchant marine is likewise recognized by the Maritime Administration. Continued Federal aid to these State maritime academies has our wholehearted support and is fully justified. This training of merchant marine officers performed by State maritime academies is of special national interest and is fully in accord with the principles contained in the recommendations of the Commission on Intergovernmental Relations, which recommends support by the Federal Government 'to stimulate forms of training especially important to the national interest.'"

"Today, Federal aid for the State academies is provided for in the appropriations, and it is the intention of the Maritime Administration to continue such aid."

THE KINGS POINT BILL, H. R. 6043, SHOULD BE PASSED WITHOUT AMENDMENT

Although on July 22, 1955, your committee had reported favorably H. R. 6043, in accordance with the broad mandate of Senate Resolution 35 it carefully reconsidered whether the bill should be amended. In view of various facts developed during the course of the study under Senate Resolution 35, now made a part of the legislative history of H. R. 6043 by this report, the conclusion was reached that amendment of the bill is not necessary.

Although other questions concerning the Kings Point bill were raised, the only two which troubled your committee were the following:

(1) Would enactment of H. R. 6043, unamended, be construed as a decision that the Federal Government intended to stop or cut down its participation with California, Maine, Massachusetts, and New York in the financing and running of their State maritime academies?

(2) Does H. R. 6043 contain provisions which will give Kings Point competitive advantages over the State maritime academies?

By a letter dated November 14, 1955 (appendix P, p. 46), which he had first cleared with the Bureau of the Budget, the Superintendent of Kings Point, Adm. Gordon McLintock, United States Maritime Service, notified the subcommittee that "as the Academy interprets the provisions of the Kings Point bill (H. R. 6043), there is no inference, direct or indirect, that the Federal Government should alter its policy of financial participation in the operation of the State academies as this principle is established in law and practice, past and present. This interpretation is in accordance with assurances given us by advocates of the bill in conferences we have held."

Admiral McLintock went on to comment upon how the Secretary of Commerce would fill the vacancies remaining at Kings Point after the appointments from the allocations to each State. He said:

"In the above-quota appointments the Secretary of Commerce, should in our opinion, be guided by the principles upon which the quota system is established, and by the realization that the Federal Academy seeks its student body from all the States and the Territories and that the State academies necessarily must select nearly all their students from the States in which they are located. (The letter is reprinted in its entirety as appendix P to this report.)"

Your committee concluded that enactment of H. R. 6043 unamended would not, and could not reasonably, be construed as a decision that the Federal Government intended to stop or cut down its participation with the four States. Not only does the bill make no mention of the State academies but the uncontradicted testimony of many of its advocates, including two of its Senate sponsors (Senator HERBERT H. LEHMAN and Senator IRVING M. IVES), as well as the testimony of the Maritime Administrator, is clearly to the effect that (1) the bill is not intended to affect adversely the State maritime academies, and (2) Federal aid to the State academies should be continued. (See also appendix P.)

As for the question of whether H. R. 6043 contains provisions which would give Kings Point competitive advantages over the State maritime academies, your committee concluded that it does not. The one provision which caused most concern in this regard is found in section (1) of the bill and deals with the manner by which Kings Point will fill its quota of students. Certain spokesmen for the State academies recommended amending the bill in various ways to prevent Kings Point from drawing its student body so heavily from the States having maritime academies that those academies would find

it difficult, and perhaps impossible, to obtain the size and quality of student body which they need.¹ However, in view of assurances received from the Maritime Administrator, Admiral McIntock, and others that the purpose of the bill is to make Kings Point a truly Federal institution in the sense that its student body will come from all the States and Territories in practically the same ratio as exists in Congress, the committee concluded there was no need for such an amendment. In this connection the following colloquy between subcommittee counsel and the Maritime Administrator, found at page 423 of the hearings is relevant:

"Mr. WEBSTER. Am I correct in assuming that it is the policy or the hope of the Maritime Administration that once Kings Point is firmly established as a permanent institution, whether it be 1 year, 2 years, or 3 years in the future—the students who come into Kings Point will come proportionately from all of the States in the country?"

"Mr. MORSE. Yes. We are very hopeful that it will be accomplished on that basis. We see no reason why we can't get students from all over the country just like they do at West Point or the Naval Academy."

Your committee recognized that it might take a short while for Kings Point's student body to become truly representative of all 48 States. Therefore, rather than further restrict the Academy in the manner of filling its quota during the first few years of its permanent status, reliance is placed upon section (1) of the present bill and the assurances of the Maritime Administrator that everything possible will be done administratively to make the Kings Point student body truly representative of our Federal system. If within the next few years Kings Point has not made great strides in this direction, and if it is then drawing its student body in disproportionately large numbers from the States of California, Maine, Massachusetts, or New York, amendment of the bill would probably be in order to give the State maritime academies protection from such unintended competition.

The PRESIDING OFFICER. The clerk will state the bill by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6043) to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. KNOWLAND. Mr. President, under the circumstances, may we not have a brief explanation of the bill?

Mr. JOHNSON of Texas. Mr. President, as I understand the Senator from Maine put into the RECORD a statement explaining the bill. The bill proposes to make permanent the Merchant Marine Academy. I made a commitment to the Senator from Maine to have the bill considered. The Senator from Maine does more to help the majority leader than does almost any other Member of the Senate, in presiding over the Senate and in other matters, and I wanted to honor my commitment before I left.

¹ Correspondence between Senator PAYNE and the Secretary of Commerce, dated, respectively, December 8, 1955, and January 5, 1956, concerning the need for amendment of H. R. 6043, is set forth in appendix Q.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill (H. R. 6043) was ordered to a third reading, read the third time, and passed.

EXTENSION OF SUGAR ACT OF 1948 AS AMENDED

The Senate resumed the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I thank my friend from Virginia for yielding to me. I wish to leave the Chamber now. I express the hope that, since the bill reported from the committee is a very fine one, the Senate may pass the bill as reported. In case there should be many attempts to amend it, I hope the junior Senator from Florida [Mr. SMATHERS], who has taken such an interest in the proposed legislation, has made such a major contribution to it, and has already written amendments for it, will sit in the watch tower and see that the bill which was reported from the Committee on Finance will remain practically intact, and will not be cut to pieces.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The question is on agreeing to the committee amendment, as amended, to House bill 7030, the sugar bill. The committee amendment is a complete substitute for the text of the bill.

Under the precedents of the Senate, in such a case the substitute, for the purpose of amendment, is regarded as original text. Therefore, any amendment proposed thereto is in the first degree; and amendment to such an amendment is in the second degree, and is not open to amendment.

Any amendment to the original text of the bill, or any amendment to such an amendment, would have precedence over the committee substitute or any amendment thereto.

In the event the committee amendment, as amended, is agreed to, no further amendment will be in order.

Mr. BENNETT. Mr. President, I rise to discuss the pending sugar bill. Before I make a statement in my own behalf, I am privileged to present to the Senate a statement by the senior Senator from Colorado [Mr. MILLIKIN], the ranking Republican member of the Senate Finance Committee. His statement is as follows:

STATEMENT BY SENATOR MILLIKIN

Sugar is of very great importance to the State of Colorado. The interests of consumers as well as those of many growers of sugar beets and operators of sugar factories have been given my close attention for a number of years. The development of the beet-sugar industry in Colorado and in the other States of the Rocky Mountain region has had and will have a very close relationship to the success of many communities. Many a returned veteran and other owners of small farms have depended on sugar beets for a cash crop, and as sugar-beet acreage has had to be reduced, those communities have suffered in proportion. The contributions which the beet-sugar industry has made to the stability of agricul-

ture and to the entire business life of this vast area of the United States must not be overlooked.

It has been my privilege for many years to have had a responsible part in shaping our Nation's sugar legislation. In helping to develop the present Sugar Act and the various amendments to it, I have always recognized not only the vital needs of the sugar-beet farmer of the West and our other sugar-producing areas, but also the importance of this legislation in connection with our relations with other nations. At the same time the consumer and our obligations to him stand as one of our most important considerations. In my opinion it is generally recognized that the Sugar Act has been eminently successful in achieving all its various purposes.

The need for amending the present law in order to best carry out its original intent and real purposes has been apparent to many for a considerable period of time. The restoration to American sugar producers of the right to share once more in the growth of our own Nation's food requirements must not be delayed. To effect the needed changes in the law, I joined with 48 of my colleagues in the Senate in introducing an amendment last year. This measure favorably reported by the Committee on Finance and now before us is an outgrowth of those efforts.

I want the RECORD to show my unqualified endorsement of the principles of this legislation. I hope that the Senate will favorably consider and adopt it. This legislation will restore the traditional and historical position of the domestic producers in the supply and demand picture, and at the same time the consumer will be adequately protected price-wise as well as assured of a constant and dependable supply.

Mr. President, that concludes the statement given to me, to be read in behalf of my colleague, the Senator from Colorado [Mr. MILLIKIN].

Now I wish to present my own statement, Mr. President.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. BENNETT. Mr. President, almost 22 years ago, in establishing a basic national sugar policy, the Congress of the United States enacted a measure which since then has frequently been called the most successful farm legislation ever developed in this country. In its original form, this legislation was known as the Jones-Costigan Act. Today we know the revised version as the Sugar Act of 1948.

Among the more important factors in the outstanding success of our national sugar program has been the frequency of revision in order to keep its provisions harmoniously attuned to changing conditions in the agriculture and commerce of our Nation. No less than 8 times since enactment of the original legislation, on May 9, 1934, has the act been reviewed, amended, or extended in bipartisan action by the Congress. Because it has kept pace with the times, the Sugar Act has fulfilled its several objectives in remarkable fashion, benefiting not only the American consumers and our domestic sugar producers, but also our trade relations with foreign friends and neighbors who participate in the American sugar market.

Now, again, it becomes the responsibility of the Congress to consider suggested revisions of the Sugar Act, in light of events since enactment of the 1948 law and the limited modification made 5

years ago. As we undertake this responsibility we encounter two primary questions: First, in view of all obtainable evidence, is it necessary that the law be amended?

Second, if so, what changes are indicated?

Evidence that the time for revision of the Sugar Act has come is unmistakable and undeniable, and among those directly concerned there is unanimous agreement that modifications are essential to the continued well-being of our farmers, processors, and refiners engaged in the domestic sugar industry. The position of the executive branch was set forth by President Eisenhower in his message to the Congress, in which he said:

The legislation to renew the Sugar Act of 1948, as amended, should promptly be completed. The Congress is aware of the need to give producers, as well as foreign suppliers and the entire sugar industry, as much notice as possible in planning their operations.

Long prior to that time, 49 Members of the Senate joined in sponsorship of proposed amendatory legislation. All segments of the domestic-sugar industry—including our sugar beet and sugarcane producers on the mainland; the farmers and processors in Hawaii, Puerto Rico, and the Virgin Islands; and the cane-sugar refiners of the Nation, with refineries in Massachusetts, New York, Pennsylvania, Louisiana, Georgia, Maryland, Texas, and California—are united in their desire for revision, and are in full agreement with the basic principles advanced.

The portions of the suggested legislation which particularly relate to domestic producers also have the specific support of most foreign suppliers, and they were objected to by none. This statement includes Cuba, whose representative at the recently concluded Senate Finance Committee hearings acknowledged the justice of the American producers' case.

Perhaps this widespread support arises from the fact that our domestic-sugar industry directly affects the lives of so many of our Nation's citizens that it has become indispensable to the general economic welfare of the country.

In the continental United States, sugar is produced in exactly half our States—24 of the 48. These States comprise well over half our mainland area. The benefits accruing from the sugar enterprise of these 24 States flow outward into all the other 24 States—to manufacturers, merchants, and consumers.

The segments of the domestic industry outside continental United States are of equal importance. In Hawaii, our great defense bastion of the Pacific, sugar production is the principal industry, and is essential to maintenance of the American standard of living there. This is equally true in Puerto Rico and the Virgin Islands, those Caribbean Territories which lie so strategically placed at the eastern gateway to our southern approaches.

Sugar sold on the mainland by Hawaii and Puerto Rico is a major factor in their purchases of American goods shipped from the mainland to those is-

lands—purchases in recent years exceeding an average annual total of \$850 million. And all of these purchases moved in American-flag vessels.

On the mainland, sugar production pours into our economic lifestream more than a half-billion dollars annually—and a half-billion dollars which are spent for American goods and services.

To thousands of American farmers, sugar is the most important cash crop. In our Western States, the sugar beet is in many areas essential to the establishment of proper crop rotation and is the keystone of livestock feeding programs.

Where we have invested hundreds of millions of dollars in Federal funds to reclaim arid and otherwise useless lands, the sugar beet is playing a tremendous role in guaranteeing repayment of these investments to the Federal Treasury. The latest figures I have from the Bureau of Reclamation show some startling facts about this. For example, in 1953, sugar beets accounted for almost one-fifth of all crop income on some 4 million acres of Federal irrigation projects. On the Colorado-Big Thompson project in Colorado, total value of crops from project lands in 1953 was \$59,237,730, of which \$26,259,450 came from sugar beets. That is 44.33 percent of the total—and only slightly more than 17 percent of the land was planted to sugar beets. Seventeen percent of the cropland produced more than 44 percent of the cash income.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. FULBRIGHT. I have just been examining the report. There is one figure with respect to which I wish the Senator would enlighten me. On page 2 I find the following:

The amount of the increase in our market above 8,350,000 short tons, raw value, would be apportioned 55 percent to domestic producing areas and 45 percent to the foreign suppliers.

On the next page, in the table, the assumed requirements for 1956 are shown as 8,535,000 tons, which is about 200,000 tons more than the allocation. What is the reason for the discrepancy?

Mr. BENNETT. This is the explanation, as I understand: The Department of Agriculture has made a long-range estimate of what we may expect as the average annual increase in the sugar requirements of the American market. That estimate is 135,000 tons. Of course, markets and the buying pattern of the public never stick exactly to averages. Some years the figures are higher than for other years. In this particular year, apparently, it is estimated that the increase will be, not 135,000 tons, but 185,000 tons.

As the law stands, the Secretary begins his estimate for the year by assuming that the amount required will be at least equal to the amount required for the preceding year. So the Secretary has announced an estimate for 1956 approximately equal to the final estimate for 1955; but, as the year moves along and the pattern of buying develops, the Secretary will continue to revise his estimate.

I hope that explanation is satisfactory to the Senator.

Mr. FULBRIGHT. Is it possible that by keeping the estimate down to 8,350,000 tons, the division of all above that quantity on the percentages of 55 and 45 would permit a greater allocation to domestic growers than would otherwise be the case?

Mr. BENNETT. It is the opinion of the Senator from Utah that if that were done one year, the estimate would be carried below for the next year. These figures average themselves out. Over the past history of the Sugar Act, I think the estimates of the Secretary have been fairly accurate, and they have averaged out. So I am not concerned with the discrepancy.

Mr. FULBRIGHT. Is it not true that in practically every case the estimates of the Secretary of Agriculture have been below the actual consumption?

Mr. BENNETT. Is not that the conservative thing to do?

Mr. FULBRIGHT. Is not that the way to force the price up?

Mr. BENNETT. When we go a little deeper into this subject, perhaps we can bring into the discussion the actual price figures.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENNETT. I am still yielding to the Senator from Arkansas.

Mr. FULBRIGHT. I have one further question.

Mr. BENNETT. Let me say one thing further.

I think the records will show that the early estimates are always on the low side, and the later and final estimates, as we move toward the end of the consumption year, tend to reflect accurately the amount required.

Mr. FULBRIGHT. Is it not true that the effect of having the estimate lower—and it is upon the estimate that the allocation is based—is to decrease the supply and increase the price? Is not that the reason why it is done?

Mr. BENNETT. No. I think it is done because the Secretary wants to be able to feel his way along as the changes in consumption are reflected in the buying of the people.

Mr. FULBRIGHT. The act has been in force since 1933. The Secretary has the record. He can predict very accurately what the consumption is going to be, in the absence of war or some other exigency; can he not?

Mr. BENNETT. I think the buying habits of the people change, so that there cannot be a completely accurate consumption prediction.

Mr. FULBRIGHT. While I have the attention of the Senator, I wonder if I may ask him a question about a little different aspect of this problem. I and many of my colleagues have been strong supporters of 90 percent of parity. I have prepared an amendment which would assure sugar producers 90 percent of parity. I wonder if the Senator would be willing to accept such an amendment.

Mr. BENNETT. The operation of the Sugar Act is not based on the same kind of situation as that upon which parity is determined under other acts.

Mr. FULBRIGHT. I did not suggest that. I merely asked whether or not the Senator would accept an amendment,

which would assure sugar producers of not less than 90 percent of parity.

Mr. BENNETT. I am afraid the Senator from Utah would not be willing to accept such an amendment, because there are other considerations involved besides the question of parity, and there are restrictions imposed upon sugar producers which are not imposed upon those who produce the so-called basic crops.

Mr. FULBRIGHT. Can the Senator tell me which agricultural commodities in our entire agricultural program are supported at levels in excess of 90 percent of parity, either by price supports or any other means?

Mr. THYE. Mr. President, will the Senator permit me to ascertain what percentage of parity sugar producers, both cane and beet, have received during the years since 1933?

Mr. BENNETT. That is what the Senator from Utah was trying to fumble for among his papers.

Mr. THYE. It would be enlightening to me if I could have the information as to what they have received since the act went into effect in 1933.

Mr. BENNETT. I should like to read these figures into the Record, because they bear exactly on the point the Senator has raised.

During the past 8 years the picture is as follows: In 1948 the sugar-beet growers received 96 percent of parity, and sugarcane producers received 74 percent of parity. The general farm parity ratio was 110 percent.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. BENNETT. Let me give the remaining figures.

In 1949 the sugar-beet growers received 100 percent, and sugarcane producers received 82 percent. The general parity ratio was 100 percent.

In 1950 the sugar-beet producers received 93 percent of parity. Sugarcane producers received 102 percent. The general farm parity ratio was 101.

In 1951 beet sugar, 89 percent; cane sugar, 81 percent; general farm parity, 107 percent.

In 1952 beet, 92 percent; cane, 92 percent; general farm parity, 100 percent.

In 1953 a change came about. Beet sugar, 93 percent; cane, 102 percent; general farm parity, 92 percent.

In 1954 beet sugar, 90 percent; cane, 98 percent; general farm parity, 90 percent.

I do not have the 1955 figures for sugar. Of course, the general farm parity went down to 84. However, for the 8 years the average received by sugar-beet producers was 93 percent; the average received by the sugarcane producers was 90 percent; and the average for the entire farm economy was 100 percent.

These figures are calculated on different bases, and I do not believe it would help the situation generally to rewrite the Sugar Act in order to limit the parity.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENNETT. I shall be happy to yield in a moment. I believe I am still yielding to my friend the junior Senator from Arkansas [Mr. FULBRIGHT]. I am trying to answer his questions.

Mr. FULBRIGHT. I should like the opportunity of asking a few questions at this point.

Mr. LONG. I wish to ask merely one question.

Mr. FULBRIGHT. I realize, of course, that the Senator from Louisiana has a different point of view.

Mr. LONG. Mr. President, I should like to ask the Senator from Utah about the table he is using. Is it not correct to say that during the years the Senator has cited many of the other farmers were producing crops for which they were getting more than 100 percent of parity, without any acreage limitation; on the other hand, the sugarcane producers were getting less than 100 percent of parity and producing their sugarcane with acreage limitations, as well as severe limitations on the amount of sugar they could market from their production of sugarcane. In other words, they were controlled in two ways. They were controlled with respect to the acres they could plant and also with respect to the amount of sugar they could sell. On top of it all, they were reduced to less than 90 percent of parity during those years. Is that not correct?

Mr. BENNETT. That is the effect of the figures, I am sure.

I now yield further to the Senator from Arkansas.

Mr. FULBRIGHT. Can the Senator tell the Senate what agricultural commodities are presently supported at levels in excess of 90 percent of parity, either by way of price supports or any other means?

Mr. BENNETT. Not being an agriculturalist or a member of the Committee on Agriculture and Forestry, I do not know.

Mr. FULBRIGHT. I should like to remind the Senator that I am not an agriculturalist or a member of the committee either. However, it will be interesting, I am sure, for the Record to show that there are only two commodities which are supported at prices higher than 90 percent of parity. Does the Senator agree with that statement?

Mr. BENNETT. The Senator from Arkansas may be correct in his statement. That may be true as of this particular time. It has not always been so, and I hope it will not always be so.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I wonder whether the Senator will not permit me to ask a few questions of him without interruption?

Mr. BENNETT. I have a statement which will take me about 20 minutes to make, if I am not constantly interrupted.

Mr. FULBRIGHT. The bill before the Senate would extend the sugar law for 6 years. In view of that fact, I believe we can take a few minutes to discuss it. I cannot think of any bill comparable to the pending bill in the sense that it attempts to set a policy for 6 years in advance. That alone is inexcusable, and I intend to offer an amendment to restrict the extension of the bill to 2 years.

Is it not correct to say that there are only two commodities, wool and sugar, in which our great Secretary of Agricul-

ture seems to be interested, and whose support he does not seem to condemn? I may say that that does not reflect a very wise view on the part of the Secretary of Agriculture. I am reading from page 19 of sugar reports issued by the Department of Agriculture for the preceding year of 1947. The prices then were 113 percent of parity; were they not?

Mr. BENNETT. I do not have that figure.

Mr. FULBRIGHT. I have the official publication of the Department of Agriculture.

Mr. BENNETT. I assume that the Senator is correct.

Mr. FULBRIGHT. I will come over to the Senator from Utah to show him the Department of Agriculture publication which contains that statement. It is publication No. 42, and I am reading from page 19.

Mr. BENNETT. I agree that the Senator is reading the figures correctly from the publication.

Mr. FULBRIGHT. Is it not correct to say that the pending bill seeks to relate the actions of the Secretary, in establishing the quotas, to the year 1947, a year in which the prices, in his judgment, were the highest since 1923? Is that not correct?

Mr. BENNETT. I believe the Senator is making an assumption that is not necessarily true. In the first place—

Mr. FULBRIGHT. I am not making any assumption about the prices. Are not those the prices?

Mr. BENNETT. The year 1947 was a year of high prices everywhere. It was the end of the war period.

Mr. FULBRIGHT. Does the Senator from Utah believe he is justified in selecting the very highest prices and then writing into a law, which will operate for 6 years, a mandate to the Secretary of Agriculture, "You will have to maintain the highest prices"?

Mr. BENNETT. I do not believe there is anything in the proposed legislation which requires the Secretary of Agriculture to maintain prices related to any particular point in history. The reason I have used the years I have used is that the present act was passed in 1948. Anything that happened prior to that time happened under another law.

Mr. FULBRIGHT. It is my impression that the bill requires the Secretary of Agriculture to consider 1947 as a typical year in the estimation of all his actions in which he has discretion, such as determining the amount of sugar which may be imported, and so forth. As I understand it, the theory of the bill is to maintain a price to the producer at which he will make a profit. That is the purpose of it, is it not?

Mr. BENNETT. The purpose is also to maintain prices at a level low enough to provide sugar at the best balance between the producer and the consumer. The effect of the law has been to keep the consumer's price at a very substantially low level.

Mr. FULBRIGHT. I am sure the Senator does not question the fact that the United States consumer is paying for sugar approximately 2 cents more than

the world price. I am sure the Senator realizes that the American people pay more for sugar than the people of Great Britain or France pay for sugar, for example. Is that not a fact?

Mr. BENNETT. No; I do not believe that to be a fact.

Mr. FULBRIGHT. Oh, I did not know that anyone questioned it. For years the United States price of sugar has been 2 cents higher than the world price.

Mr. BENNETT. Let us get ourselves straight on what we are talking about.

Mr. FULBRIGHT. I am talking about the price of sugar. The world price of sugar has averaged for years approximately 2 cents lower than the American price of sugar. Is that correct?

Mr. BENNETT. If the Senator will give me an opportunity to find the chart showing the world price, I will give him the figures.

Mr. FULBRIGHT. Certainly. Mr. President, if I may be permitted to do so, while the Senator is looking up the figures, I should like to refer to the index of prices. These are the sugar prices since 1923. I am sure the Senator knows that the price in 1947 was the highest price since 1923. I do not believe there can be any question about that. Of course, in 1947 the Secretary of Agriculture was not the one who holds the office now.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. BENNETT. I wonder whether the Senator from Arkansas will give me a minute or two to get at these papers.

Mr. FULBRIGHT. Certainly. I know this is a very complex subject. Having been engaged in another matter until last night, I am not too well prepared myself on some of these questions.

Mr. BARRETT. If the Senator will yield to me, I should like to answer the question of the Senator from Arkansas.

Mr. BENNETT. I am glad to yield.

Mr. BARRETT. I have before me the wholesale prices of sugar in New York from 1870 to date, at 10-year intervals. In 1880 the price was 4.6 cents. In 1890 it was 7.6 cents. In 1900 it was 5.3 cents. In 1910 it was 5 cents. In 1920, which was during World War I, it was 15.5 cents. In 1930 it was 4.6 cents. In 1940 it was 4.3 cents. In 1950 it was 7.8 cents.

The wholesale price of sugar in 1950 was almost precisely the same as it was in 1890. It is the cheapest farm commodity available in the American market today.

If the Senator from Arkansas is interested in making the American farmer compete with the sugar producers of Cuba, then, of course, the price of sugar will go down to the world level. But our people cannot pay taxes, cannot support schools, cannot live in the American way of life, and meet that type of competition.

Mr. FULBRIGHT. The point which the Senator from Wyoming raises was referred to by the Senator from Utah. It would seem to me that what we are considering here is beet sugar. What Congress is asked to do is to establish an increased quota for the growers of beet sugar. If that is done, we will be confronted with the problem of an increased program of irrigation in order

to grow the beets. We will be asked also to subsidize the creation of vast water-works in order to bring water to the acreage on which the beets are grown, thus subsidizing an industry which is not a native industry. It entails an expense upon the consumer and the taxpayer far beyond any comparable crop or any comparable program in this country.

What has the Senator from Utah to say about that?

Mr. BENNETT. In the first place, the Senator from Arkansas says it is not a native industry. How far do we have to go back to establish a new industry and call it a native industry?

Mr. FULBRIGHT. I stated a moment ago that there are hundreds of thousands of acres of land irrigated through the appropriations of Federal funds in order to produce sugar beets which would not be grown at all without this enormous subsidy, the figures for which I shall use in my own statement; but it amounts to more than a billion dollars in direct subsidy to enable producers to produce beets on land which would not produce them without vast amounts of money appropriated for irrigation.

On the other hand, the Senate will soon have before it a soil-bank proposition to take acreage out of production. The pending proposal is contrary to the soil-bank program. We subsidize the bringing in of land, and then we subsidize the taking of it out of production.

Mr. BENNETT. In the first place, I represent, in part, a State whose beet-sugar industry was founded by private industry on privately irrigated land nearly a hundred years ago. To say that the beet-sugar industry is dependent entirely on modern irrigation projects is, of course, incorrect.

Mr. FULBRIGHT. I did not say that. The Senator was reading figures—

Mr. BENNETT. About a particular project in the State of Colorado, in order to show that land devoted to sugar beets was more profitable than that devoted to other crops. But the Senator from Arkansas says it is not a native industry and that it is dependent entirely upon Government subsidies. Actually, the production of beet sugar in the West was begun on land the water for which was bought by private capital. At the present time in the State of Utah most of the sugar beets are raised on land which is not subject to Federal reclamation funds.

I think there is nothing more confusing in the minds of people who are not directly involved in this problem than is the use of the world price to secure the bottom market for sugar outside the United States. There are approximately 40 million tons of sugar consumed in the world in a year, and of that amount about 4½ million tons are available in the so-called world market or free market. About 90 percent of it is handled under a system of controls within the various countries which are interested in the consumption of the sugar. So, the world market is not a free world market.

In that connection, I should like to state what the London Economist says about it:

Even the world price is not the proper price, nor is it free. Were it not for the huge tonnage sold under preferential arrangements the price of sugar in the free market would have to be higher than it is.

Mr. FULBRIGHT. Is it not true that we could have all the sugar we wanted at 2 cents less than the world price?

Mr. BENNETT. That is not true. The world price is on a type of sugar which no one particularly wants. If we took our sugar from the world market we would see the price rise.

Mr. FULBRIGHT. We would want it if we were permitted to want it.

Mr. BENNETT. We come, now, to the question of national policy, as to whether there is any value in the maintenance of a domestic sugar industry.

Mr. FULBRIGHT. That is what I am trying to develop. I cannot understand why, in the situation in which American agriculture now finds itself, this particular industry should be picked out, as it has been, and we are told that everything about it is different. The bill did not even go to the Committee on Agriculture and Forestry. It seems to me that it is a sort of anachronism. I think it should be a part of the agricultural program, yet the bill is considered by the Finance Committee whose members are not so familiar with it as are the members of the Committee on Agriculture and Forestry. There was an attempt made to pass the bill on the calendar without debate, on the last day of the last session.

Why does the Senator from Utah think we should extend the program for 6 years? We do not extend agricultural acts for 6 years. Every year we have to take action on them, but here we are asked to extend the sugar program for 6 years. How does the Senator excuse such a procedure?

Mr. BENNETT. I wish to finish this colloquy, because I desire to resume and complete my statement, if the Senator will permit me.

In the judgment of the Finance Committee, the purpose of the bill is more or less to provide a stable supply and a comparatively stable market for our sugar, and we might as well extend it for 6 years. There is always an opportunity to open it up, of course. But, I think, having reestablished by this bill the right of the domestic industry to operate effectively, we should extend the act far enough so that that right will be of some benefit.

I think the Senator from Arkansas feels that if this bill is passed, there will be a large amount of irrigated acreage.

Mr. FULBRIGHT. Certainly.

Mr. BENNETT. It is my impression that even at the end of 6 years it is doubtful whether the acres which have been taken out of sugar production because of the restrictions of the act will be allowed to become productive again.

I should like to discuss this question later with the Senator, but I wonder if I may proceed and finish my statement.

Mr. FULBRIGHT. First, will the Senator indicate why the bill should go to the Finance Committee instead of to the Committee on Agriculture and Forestry?

Mr. BENNETT. There is a tax involved in it, and all bills involving taxes go to the Finance Committee.

Mr. FULBRIGHT. I beg the Senator's pardon. There are other bills which involve taxes. The Committee on Banking and Currency has one before it today, involving a bank holding company. A change in the tax was involved, and our committee submitted it to the tax experts. But we did not submit the whole bill.

After all, the tax in this instance is purely an incidental matter. It is taking money away from the consumers and is paying it to the producers.

The Committee on Agriculture and Forestry, it seems to me, is the committee which should have jurisdiction of the bill, because it pertains to a part of the overall agricultural policy of the country.

Mr. LONG. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. LONG. I believe that if the Senator will consider the question, he will find that the whole subject of sugar legislation in this country originally began with a tariff, which, of course, would come within the jurisdiction of the Committee on Finance.

Subsequently the taxing feature became involved. That also made proposed sugar legislation referable to the Committee on Finance.

Import quotas also became involved, and they likewise were subject to regulation by the Committee on Finance.

More recently, a large number of international agreements became involved, concerning foreign trade; and foreign trade matters, particularly so far as quotas and tariffs are concerned, are referred to the Committee on Finance.

That is how the custom of referring bills of this type to the Committee on Finance developed.

Subsequently there were certain regulations pertaining to the control of the domestic industry. But so far as the other features of the sugar industry are concerned, every feature of regulation of this nature previously had been referred to the Committee on Finance. The Sugar Act was permitted to remain under the jurisdiction of that committee.

That is my best understanding of how the Committee on Finance came to have jurisdiction of proposed sugar legislation.

Mr. BENNETT. Of course. Proposed legislation of this type has always been referred to the Committee on Finance.

Mr. FULBRIGHT. Is it not true that in the House this kind of bill is referred to the Committee on Agriculture?

Mr. BENNETT. That is correct. Each House decides how bills shall be handled within its own body.

Mr. FULBRIGHT. Is not this instance rather unusual, since under the Constitution all tax measures originate in the House; and uniformly, if they are tax measures, they are referred in the House to the Committee on Ways and Means? Is not that so?

Mr. BENNETT. I understand that each House determines where a particular bill will be referred.

Mr. FULBRIGHT. I know that. My inquiry is directed to the justification for this practice. Is there any justification for having this commodity taken away,

or distinguished from other agricultural commodities, and placed in the Committee on Finance?

The statement by the Senator from Louisiana [Mr. LONG] persuades me that the bill ought to go before the Committee on Foreign Relations, because the bill would have a most disastrous effect upon our relations with all our friends in Latin America. I do not see how anything we do will overcome the ill will and dissatisfaction which will be caused in a number of Latin American countries. Our best customers are Mexico, Cuba, and Peru. Arbitrary quotas will be placed on their production, and they will have an almost insuperable task of balancing the demands of this country. They are countries which buy all kinds of commodities from all the industries of the United States. Their commerce will have to be sacrificed simply for the sake of a few beet sugar growers.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENNETT. I prefer not to yield any further until I have completed my statement. I hope that when the Senator from Arkansas makes his statement I may have the opportunity to question him.

Mr. LONG. Mr. President, will the Senator permit me to make just one point?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Louisiana?

Mr. BENNETT. I yield to the Senator.

Mr. LONG. Is it not correct to say that all matters pertaining to foreign trade are referable to the Committee on Finance? I suggest that when the Senator proposes his amendment he try in vain if he wishes to take the subject of foreign trade away from the Committee on Finance. He can judge what success he will have in changing the rules of the Senate.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. HOLLAND. One of the statements made by the distinguished Senator from Arkansas is so very far from the facts of the matter that I thought I should make a comment at this time.

The Senator from Arkansas indicated that all the other price-support legislation is temporary, on a year-to-year basis, or for the duration of a few years, and that the sugar bill, being placed on a 6-year basis, was very far afield from the normal procedure.

I ask the distinguished Senator from Utah if it is not, in fact, true that ever since 1938 the legislation in the general field of price supports has been permanent, without any limitation of years, and that that is still the case as to the present agricultural price-support legislation?

Mr. BENNETT. I am informed that the Senator's statement is correct.

Mr. President, I should like to resume my statement. I had just cited some figures showing the value of beet sugar production as compared with the value of other crops which might be raised on irrigated lands.

Figures like these not only indicate the contribution made by our sugar crops to the Nation's agricultural pattern, but they hint at the progress being made by our producers. Within the past 30 years our beet growers have doubled their yields and today produce a ton of raw sugar with the expenditure of but 4.2 man-days in the field, a figure unmatched in any other beet-growing area in the world. Hawaii similarly leads the world in efficiency of cane production, the record there being 2.63 man-days of field work per ton, with Florida second at 4.31 man-days.

Though Cuba sometimes is thought of as the sugar bowl of the world, the fact is that average yields in every domestic producing area of the United States are significantly higher.

The achievements of our domestic producers have been attained by painstaking devotion to self-improvement, in plant culture, farming methods, development of machinery, preservation and improvement of soil fertility—self-improvement attained by never-ending exertion of time and effort and thought.

Paradoxically, however, there has been little recognition of our growers' accomplishments. More truly, a penalty has been imposed, for as our farmers and processors have achieved new productive heights per acre of land, they have been forced to cut total acres to remain within the limiting confines of outmoded quotas.

In our beet-growing areas, acreage reductions averaged 10 percent during 1955, and similar reductions have been ordered for this year. Planted acreage in the Louisiana-Florida industry was reduced by 11 percent in 1954; this cut was extended to 18 percent last year, and a further reduction of 11.5 percent was ordered for this year. Does this suggest a point at which progress and suicide become synonymous?

In many States, including the State I have the honor, in part, to represent, still another penalty is being suffered, and this has disturbing effects throughout our agricultural economy. Because of the widespread reductions in sugar beet acreage, much of our very best cropland is not being put to optimum use. Should the farmer who is denied the beet acreage which logically and economically fits into his planned farm program be forced instead to plant his land to crops which are in surplus supply?

Sugar is, of course, one of the few cash crops being produced in this country at a rate far below consumption demands. On the mainland we are producing only about a third of our annual sugar needs. In all domestic producing areas, the output is only a little more than half our yearly demands. The balance is being imported from foreign countries.

In these circumstances it is difficult to the point of impossibility to justify the proposition that the number of acres devoted to the production of sugar must progressively be lessened. Such a policy is an added threat to maintenance of the family size farm.

Consideration of such facts as these leads inevitably to the conclusion that

there is grave necessity for revision of the existing law at this time. There remains, then, the determination as to the particulars of modifications which must be made to bring our national sugar program once more into balance.

Before the Senate is a corrective proposal containing several salient features thoughtfully and carefully designed to restore equity and workability to the law. In broad summation, the proposal seeks to bring us back to historic principles temporarily waived in 1948 to meet exigencies of the time. Let us consider some of the details of this general aim.

First, beginning this year, in 1956, the domestic sugar-producing areas would once again share their historic 55 percent of annual market increases in the United States over and above an annual base consumption of 8,350,000 short tons of sugar. Under the present act, domestic areas have no share of each year's market growth in this country. The Sugar Act of 1948 made a sharp break with previous laws and historical patterns. In the Sugar Act of 1937, for instance, total percentages assigned to present domestic producing areas aggregated 55.59 percent of the market. Thus on this percentage basis, domestic quotas grew each year in a regular and routine way, in accordance with increases in total United States sugar demands arising from such factors as increases in the population.

Circumstances appertaining in 1948, however, led the Congress to set rigid quotas. Perhaps we should make special note of this juncture in our discussion that the quotas were set on this rigid basis as a temporary arrangement only, a fact carefully noted during Senate Finance Committee hearings both on the 1948 act and on the amending legislation of 1951.

In any event, with the domestic quotas fixed, all annual growth in the market automatically is reserved under the present law for foreign suppliers, in the ratio of 96 percent for Cuba and the remaining 4 percent for other countries.

Since the 1948 law was enacted, annual consumption of sugar in the United States has risen by well over 1 million tons. It continues to grow, at a current rate of about 135,000 tons per year. All of this increase is denied to our own farmers. And so the bill before us provides that we return to the pre-1948 formula and divide future annual growth on the basis of 55 percent for the various domestic areas, with the remaining 45 percent being shared among foreign suppliers.

No present supplier would be cut out of our market; none—and this specifically includes Cuba—would suffer a reduction of so much as a pound in its present quotas. Participation in future growth would be shared by all.

In discussing the 55 percent of growth to be shared by the domestic industry, it should be noted that two of the domestic areas—the beet States of the West and the cane industry of Louisiana and Florida—are burdened with quantities of overquota sugar which they cannot sell. A Government pur-

chase of 100,000 tons of this sugar, undertaken at a request of the Congress adopted last summer, helped to alleviate the problem, but did not solve it. The two areas still are plagued by over-quota sugar.

In the face of this situation, the various elements of the domestic industry agreed to the following proposed formula relative to their aggregate 55 percent of growth:

The first 165,000 short tons would be divided 51.5 percent to the domestic beet sugar area and 48.5 percent to the mainland cane area. The next 20,000 tons would go to Puerto Rico, and the next 3,000 tons to the Virgin Islands. These divisions total 188,000 tons.

About the 188,000-ton level, the five domestic sugar-producing areas would share growth on the basis of their fixed quotas for 1955, plus the respective amounts added to this quota out of the first 188,000 tons.

Next—still speaking about the domestic share of market growth—the bill provides that the existing laws be revised so that beginning in 1958 the quantities of direct consumption sugar which may be brought into mainland America from Hawaii and Puerto Rico will be increased in the same proportion as their respective quotas are increased under the growth formula I have already described.

It is additionally provided that, beginning at once, deficits which occur in any domestic sugar producing area in any year resulting from operation of the growth formula will be prorated to other domestic areas on the basis of their quotas in effect at that time, insofar as such domestic areas can fill such deficits. Any unfilled deficits would next be prorated to foreign countries.

The bill reported by the Finance Committee also provides that definitions of raw and direct consumption sugar which is further refined and other improved in quality will be revised to reflect recent technological developments, and that the cost-of-living formula in section 201 of the act will be altered to the now generally accepted base of 1947-49.

Finally, the bill would extend the revised act through December 31, 1962. The current act is, of course, dated for expiration on December 31 of this year.

Enactment of these suggested revisions will ease the shackles now binding our domestic sugar industry to a future offering no chance for orderly, healthy growth. In addition, it will guarantee to our foreign friends and neighbors who help to supply our sugar needs future growth as our Nation grows. Not only will these foreign friends be guaranteed participation in our national growth, but they will also be assured a continuation of their present large share of our sugar market. Equity, therefore, would be extended to all.

Even more important to consumers and to the industry which serves them, the bill preserves and strengthens provisions which assure fair and reasonable prices for sugar.

As the history of the Sugar Act shows, costs for this commodity have been far more stable than have those of foods in general. Between 1935-39 and 1954, for instance, the price of sugar rose 35 percent less than the average price for all foods.

I should like to refer my distinguished colleagues to page 15 of the committee report, wherein we find this paragraph:

The sugar acts have eliminated the extremes of very high and very low prices in the United States market. They have protected domestic growers during long periods of price depression in the world market and likewise have protected consumers during shorter but sharper periods of price inflation in that market. Price stability has helped assure adequate supplies to consumers and a market for a definite quantity of production to producers.

The Sugar Act has benefited consumers, not only by keeping prices stable, but by keeping them at a low level. The production worker who could buy 519 pounds of sugar with his gross weekly earnings in 1941 could buy 674 pounds in 1954. Put another way, in 1941 a man worked 4.7 minutes to earn enough to buy a pound of sugar. By 1954 he needed to work but 3.5 minutes. On the basis of average consumption, he would need to work but 6 hours to earn enough to buy a full year's supply.

The plain fact is that sugar is a real bargain in America, where the consumer pays less than do consumers in three-fourths of the other important sugar-using nations in the world.

As the distinguished Senator from Virginia [Mr. BYRD], the chairman of the committee, has pointed out, there is nothing in the bill which affects the price of sugar. Actually, however, the consumer safeguards in the law are strengthened by the amendment to section 201 of the bill.

The Sugar Act is, in fact, a guarantee against unwarranted increases in the price of sugar, just as it is a protection against disastrous and sudden drops in the price of sugar. As I have shown, the actual administration of the act has resulted in sugar prices which have not in reality gone up as much as the general average prices of other foods; the rise has, in fact, been 35 percent less than other foods. The enactment of the bill will not affect the scope of the Secretary's authority in making estimates of consumers' requirements for the purpose of achieving prices fair to both consumers and producers.

The proposed legislation awaiting our action represents the culmination of many months of diligent and precise effort, predicated upon the basic principles established in the first Sugar Act. With each passing month, as we have approached this day, the urgency for action has grown more and more pronounced. Our American sugar farmers are right now completing their cropping plans for this year. In a matter of a very few short weeks, sugar beet growers in my home State of Utah will be planting their seed—late this month in some sections, early in March in others. As these people ready their farmlands for the approaching season, they are looking

to us for our reply to their moderate and entirely just requests.

Mr. President, and my colleagues in the Senate, I say to you that our reply must be in the affirmative, and our reply must not be long delayed, else we shall have failed the men and women who are asking nothing more than their undeniable right to grow with their country, to participate in the benefits their own hard work and devotion to the American way of doing things have helped make possible. Their faith and hope lie in us and the measure we now consider. We must not fail them.

Mr. LONG. Mr. President, I propose to discuss the pending bill rather briefly. I do not believe that extensive detailed arguments are needed to persuade Senators that the bill should be passed. It is made desirable by developments which are typically American. It is needed, and needed urgently, by sugarcane producers because they have been for a number of years devoting themselves energetically and successfully to the improvement of the quality of their varieties and increasing their productivity.

I am sure that most of us are prepared to join enthusiastically in commending the sugarcane producers for their success. Yet because of the success, they have found themselves in the absurd position of seeing the benefits of this increased efficiency and improvement of quality go to their competitors abroad. Far from being benefited, local producers have been suffering.

The reason is to be found in the terms of the Sugar Act of 1948. At that time, we were justifiably anxious to prevent any undue hardship on our friends in Cuba, who had expanded their production during the war years in order to meet our essential requirements, both military and civilian. In the act, therefore, we guaranteed foreign producers whatever increases in consumption we might have, giving 96 percent of it to Cuba. Thus Cuba's basic quota has increased from 1,923,000 in 1948 to 2,859,840 for 1955, an increase of 49 percent. So far as I am aware, there is no parallel in our history or the history of any other nation for this act of generosity and consideration on our part.

The effective period of the Sugar Act of 1948, as it was amended in 1950, is 6 years. Like all matters which have to be decided over a future period of time, we had to make estimates of conditions and production of our domestic producers during this period. Insofar as the sugarcane area is concerned, these estimates proved woefully inadequate. In order to illustrate the increase in production per acre during this period, I ask unanimous consent to insert at this point in the RECORD, as a part of my remarks, a brief table showing acreages of sugarcane in production and average production of sugar per acre. It will be noted that production increased in every year except 1951, during which the crop suffered severe freeze damage. The percentage of increase is just under 45 percent.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Sugarcane production per acre

Crop year	Total acreage	Production per acre
	Thousands	Tons
1948.....	334	1,418
1949.....	340	1,532
1950.....	336	1,682
1951.....	341	1,228
1952.....	339	1,788
1953.....	347	1,802
1954.....	308	2,001
1955.....	289	1,204
1956.....	217	-----

¹ Estimated.

Mr. LONG. Mr. President, the Sugar Act provides for perhaps the most extensive and detailed set of controls over production and distribution of sugar in this country that we have ever had on any commodity in peacetime. Included in these controls is, of course, the power to reduce acreages in order to prevent piling up of excess quantities of sugar which cannot be sold within the fixed quotas. While I quarrel occasionally with the Secretary of Agriculture on the way in which he uses this power, I entirely agree that it is necessary that he have the authority.

Mr. President, from the foregoing table Senators can see that the acreages planted in sugarcane have been drastically reduced. In the 1954 crop a reduction of 10 percent was imposed. For last year's crop a further cut of 8 percent was made, and the most drastic cut of all has been ordered into effect for 1956. This latest reduction was about an average of 12 percent.

I must also admit that despite the acreage cuts which the Secretary has imposed, the producers of sugarcane have managed to accumulate a very burdensome surplus. I ask unanimous consent to have inserted at this point in the RECORD, as a part of my remarks, a table giving the data on production and stocks over the years since the last time the Sugar Act was amended. Stocks on hand increased six times during this period, and it should be remembered that these stocks could not be sold at all, because the Sugar Act forbids sales in excess of allotted quotas.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Sugar production and stocks in the sugarcane area

[Thousands of tons]

Year	Total production	Jan. 1 stocks
1950.....	560	61
1951.....	417	110
1952.....	605	55
1953.....	640	64
1954.....	610	190
1955.....	1,575	300
1956.....	-----	379

¹ Estimated.

Mr. LONG. Mr. President, Senators will recall my unsuccessful efforts in the closing days of the session last year to obtain consideration for the bill which we are presently discussing. Failing to do that, I proposed that at least the emergency-purchase program provisions should be adopted by unanimous agreement,

It was much appreciated by me and by the sugar producers in Louisiana that even the opponents of this proposed legislation agreed to that action, which means that 100,000 tons of the surplus stocks are being disposed of outside the United States. The special difficulties of the sugarcane area were recognized by the allocation of 71,500 tons of this amount for purchase of sugar produced from sugarcane.

As helpful as that action has undoubtedly been, a mere glance at the figures will show that it is something like taking an aspirin tablet to ease a severe migraine headache, so far as meaningful relief to sugarcane producers is concerned. It will be many years before our sugarcane growers will even be able to replant the acres they have been forced to abandon.

Not only has production per acre been increased steadily and substantially, but, perhaps even more important, varieties which are remarkably resistant to cold weather have been developed. For example, only a few weeks ago, one of the worst freezes in history affected a part of the Florida area. For 6 nights in succession, for as many as 8 hours each night, the cane in the fields was frozen. In former years, this would have meant certain destruction for the cane for sugar-production purposes. I understand, however, that the crop is being steadily ground into sugar, and that it will be only a little short of expectations.

This situation, Mr. President, makes it extremely important that the proportion of 55 percent of our future increases in consumption be given to our domestic producers, with priority to our cane and sugar-beet growers. The House bill provided for only 50 percent of future growth. If the Senate passes the pending bill, the chief problem of the conference committee will be to resolve this difference. I believe it is important to have other Senators express themselves strongly on this point, in order that the conference committee will know they have a mandate on this issue.

The figure represents the minimum share, without consideration of the inequities involved. Senators should always recall that what we are dealing with here is a unique situation in which we are guaranteeing our own markets, at stable prices, to foreign producers. Certainly a great number of foreign producers of other commodities produced abroad and imported into the United States would like to have even 5 percent of the expansion of our domestic demand for the commodities they have to import over tariff walls.

Mr. BARRETT obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Wyoming yield to me?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Wyoming yield to the Senator from Montana?

Mr. BARRETT. I yield.

Mr. MANSFIELD. Mr. President, I am in receipt of a communication from Mr. John A. O'Donnell, attorney at law, relative to some testimony he presented on the pending measure, in an appearance before the Finance Committee. I ask unanimous consent that his letter to

me, together with excerpts from his testimony before the Finance Committee, be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the letter and excerpts were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., February 7, 1956.
In re Sugar Act extension (H. R. 7030).

The Honorable MIKE MANSFIELD,
Senate Foreign Relations Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR MANSFIELD: I am writing you as a member of the Senate Foreign Relations Committee with a known keen interest in Philippine-American relations, to bring to your attention the fact that the Philippines is the only foreign supplier singled out under this proposed legislation from benefits of increased quotas.

To begin with, I wish to make it absolutely clear that we take no position with respect to what share of the United States sugar market Congress should allot to United States producers. Congress not only has the right, but the duty, to look after the best interests of the domestic economy of the United States first. Philippine claims go solely to whatever share of the market is left for division among foreign suppliers.

You will recall that, in the first session of the 84th Congress, the Philippine Trade Revision Act of 1955 was reported favorably by the Senate Foreign Relations Committee and passed by the Congress, wherein there is a proviso in article 2, paragraph 1, as follows:

"The establishment herein of the limitations on the amounts of Philippine raw and refined sugar that may be entered or withdrawn from warehouses, in the United States for consumption, shall be without prejudice to any increases which the Congress of the United States might allocate to the Philippines in the future."

It will be appreciated if you will bring this proviso to the attention of your colleagues, together with the contents of a brief memorandum attached which contains substantially the facts as testified to by me before the Senate Finance Committee on January 17, 1956.

With all good wishes, I am

Sincerely,

JOHN A. O'DONNELL,
Counsel, Philippine Sugar Association.

MEMORANDUM

FEBRUARY 7, 1956.

Re Sugar Act extension (H. R. 7030).

PHILIPPINES SINGLED OUT FOR EXCLUSION FROM
BENEFITS OF INCREASED QUOTAS

To begin with, I wish to make it absolutely clear that we take no position with respect to what share of the United States sugar market Congress should allot to domestic United States producers. That is a responsibility which I do not feel it appropriate for me, as representing a foreign client, to come before the Congress to suggest what they should allocate to a domestic producer. Congress not only has the right, but the duty, to look after the best interests of the domestic economy of the United States first. Philippines' claims go solely to whatever share of the market is left for division among foreign suppliers.

The legislation here proposed by the Executive Department leaves the Philippines completely out in the cold and makes no attempt by the Executive Department to consider the Philippine situation in this industry on its merits. An examination of the comparative economics of the opposing claims fully discloses that, on the express objective of the Sugar Act to promote foreign trade of the United States, the Philippines only purchases in the United States

market 20 percent less than another large foreign supplier of sugar, yet this country enjoys a sugar quota here 200 percent greater than the Philippines.

In 1953 the Philippines purchased \$300 million worth of various merchandise from the United States out of a total importation to that country of \$380 million. Roughly, 70 percent of all Philippine imports come from the United States. In addition, agricultural products account for 50 percent, of which dairy products is No. 1; wheat, tobacco, coffee, fish products, and cotton follow in that order. The Philippines is the 9th best market for American products.

It is inconceivable to us that the Philippines who, among the suppliers, probably needs it the most because she has not yet entirely recovered from her war-ravaged economy—the result of her loyalty to our cause in the last war—should be singled out for such discrimination. Her economy is still plagued by trade deficits, unemployment, and inflation. Her dollar reserves are gradually being depleted. This country that before the war had always had a favorable trade balance with us and with the world has piled up a tremendous trade deficit. During the 8 years before Pearl Harbor, she had a favorable trade balance with us in the amount of \$257 million.

During the 8 years after Pearl Harbor, she piled up a trade deficit of \$1,250 million. The one Philippine industry that has fully recovered is the sugar industry and therefore it is the only one that is in a position immediately to contribute to the solution of this problem of trade deficits and unemployment that is plaguing the country. This industry is also the chief dollar earner for the Philippines.

PHILIPPINE HOPES RAISED BY UNITED STATES
TRADE AGREEMENT OF 1955 MAY TURN TO
DISILLUSIONMENT

At the hearings held before the Senate Finance Committee on the proposed Sugar Act extension on January 16 and 17, 1956, the Honorable True D. Morse, Under Secretary of Agriculture, testified, that insofar as the foreign suppliers were concerned the Department of Agriculture followed the recommendation of the Department of State in this regard. It is interesting to note that the Assistant Secretary of State for Latin America, the Honorable Henry F. Holland, omitted any reference to the Philippines with respect to their participating with other foreign suppliers in any increased consumption of sugar in the United States. Of course, with the appearance of the Assistant Secretary of State for Latin American Affairs at this hearing, representatives of the Philippines readily foresaw little or no chance of their being recommended for participation. Perhaps the Department of State was relying solely on the revisions of the Philippine Trade Agreement, which agreement was enacted into law in the 1st session of the 84th Congress, wherein there is a proviso in article 2, paragraph 1, as follows:

"The establishment herein of the limitations on the amounts of Philippine raw and refined sugar that may be entered or withdrawn from warehouses, in the United States for consumption, shall be without prejudice to any increases which the Congress of the United States might allocate to the Philippines in the future."

Since the Senate Finance Committee did not accord us any recognition in their report on the proposed bill insofar as sharing in the increased consumption in the United States is concerned, the Philippines now recognize that the Congress of the United States is its court of last resort and to it it is making this appeal. In this connection, the Philippines appeals to the Members of the Congress, knowing that they have always

had the interests of the Philippines in their hearts and have been most friendly to it.

It is inconceivable to the Philippine people that, after thus having their hopes raised by the aforementioned amendment contained in the Philippine Trade Agreement Revision Act of 1955 that their principal industry will again have a chance for expansion in the United States market, we should now deny them a share in increased quotas, due to increased consumption, while giving everyone else a share, their disillusionment would be great, indeed. Her share at present stands at approximately 11.6 percent of United States sugar consumption. This bill would place the Philippine sugar industry in a straitjacket as far as this market is concerned, for the next 6 years while all the other suppliers increase their share.

SUGAR INDUSTRY REQUIRED 13 YEARS TO RECOVER
AFTER TOTAL WAR DESTRUCTION

Because of the almost complete destruction of the sugar mills and the limited compensation they received for their losses, as well as because of the loss of planters' equipment and work animals, it took the Philippines 13 years to completely rehabilitate their sugar industry and it was only the year before last that they were able to fill their quota in this country and have a surplus besides.

During the 13 years after Pearl Harbor, they were unable to market in the United States some 8 million tons of sugar of approximately \$1 billion in value. This quantity of sugar was filled by other foreign suppliers, and the United States collected thereon import taxes of approximately \$120 million.

It is inconceivable to us that this country that suffered the most in lives and property during the last war because of their loyalty to our cause and who needs it the most because she is still licking her wounds, as it were, should thus be the only supplier to be excluded from any participation in increased quotas due to increased consumption in this country.

THE PHILIPPINES, THE SHOWCASE OF
DEMOCRACY IN ASIA

The Philippines is the one dependable ally and friend that we have in that part of the world where one-half of humanity lives and where communism and neutralism are making such progress. In fact, the Philippines is probably the only country in that part of the world where the fight against communism is succeeding because of the joint efforts of their gallant people and our own.

This we have been able to do principally by showing the people of the Philippines and the rest of Asia that the aspirations of people to raise their standards of living can be better attained under the democratic way of life than under totalitarianism. Just at a time when, according to the Secretary of State in his press conference last week, the Communists have shifted their strategy in the cold war to an economic contest in which, in the words of the Secretary, "defeat could be as disastrous as defeat in an armament race."

We just cannot afford to tell the people of the Philippines and their neighbors who are so closely watching how the free world treats its tried allies and friends that not only are we unable to help her increase her trade, that she might in some measure recover from the losses she suffered, and help her in rehabilitating her war-ravaged economy, but that we will even deprive her of her traditional share in the sugar market in this country.

Under the Jones-Costigan Act of 1934, the Philippines was allocated 15.41 percent of the sugar consumption in this country. While they were flat on their backs immediately after the war, the Philippine Trade Act of 1946 was approved, converting this duty-free quota into an absolute quota. The imposi-

tion of this absolute quota was strenuously objected to by the State Department in these words:

"Since the imposition of absolute quotas is contrary to the commercial policy of this Government, the Department recommends that the bill be amended to permit imports in excess of quotas, provided that full United States duty is paid on imports over and above the quotas." (Statement of L. C. Stinebower at hearing on H. R. 4185, November 15, 1946.)

THE ECONOMIC CONTEST IN ASIA

If we may revert to the statement of the Secretary of State at his press conference last week, he stated:

"The way to counteract Soviet effort is not by outbidding in sheer amount of economic aid, but by making the newly independent nations of Asia feel that their needs can best be satisfied if they become and remain part of the free world."

On April 11, 1955, the President of the United States in a message to Congress stressed the need for intensifying our cooperation with the free nations of southeast Asia in their efforts to achieve economic development and a rising standard of living. I quote from his message:

"The motivation behind this cooperation is twofold: Our fixed belief in the worth and dignity of the human individual whatever his race or flag may be, and our dedication to the principle that the fruits of national growth must be widely shared in every society.

"As a people we insist that the dignity of the individual and his manifold rights require for their preservation a constantly expanding economic base. We are convinced that our continued economic, cultural, and spiritual progress are furthered by similar progress everywhere."

THE PHILIPPINES, FRIEND AND ALLY

Our ties with these people are close indeed. They have guaranteed our nationals the same rights in the exploitation of commerce and industry as their own nationals. We have valuable military, naval, and aerial bases there. They have stood by us in the last war, in Korea and in Bandung.

Let us help them rehabilitate their war-ravaged economy so that they may be able to establish a better standard of living for their people and play their part in the global fight against communism not only as a trusted friend and ally but as the showcase of democracy in Asia.

And in connection with communism, I am sure that all of you have seen this recent article in the Washington Post under date of January 16, 1956, wherein it is headed, "Philippine Red Plot Revealed," and which goes on to say:

"The Philippine Army said today it has uncovered an elaborate and vicious Communist plot to cripple the national economy by infiltrating Philippine labor and farm organizations.

"Military officials said that the plot was brought to light in documents taken from captured couriers of the dissident Hukbalahap Army. They said the documents showed that Communist leaders planned to redouble labor agitation."

This shows, Members of the Congress, that the fight in the Philippines in respect to communism is still going on, but fortunately we have a friendly government there under the dynamic leadership of President Mag-saysay, who is on the alert and doing everything possible, as this article shows, to prevent this Communist invasion.

I plead with you, gentlemen, not to commit this act of discrimination that is so apparent that it is bound to have its impact on the thinking of the Filipinos and all the peoples of Asia.

Mr. CAPEHART. Mr. President, will the Senator from Wyoming yield briefly to me?

Mr. BARRETT. I yield.

Mr. CAPEHART. Mr. President, I offer, and send to the desk, an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 18, in the table following line 2, opposite "Cuba", it is proposed to strike out "33.8" and insert in lieu thereof "27"; opposite "Peru", to strike out "4.0" and insert in lieu thereof "8.0"; opposite "Dominican Republic", to strike out "2.0" and insert in lieu thereof "3.0"; and opposite "Mexico", to strike out "4.0" and insert in lieu thereof "5.8".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

Mr. BARRETT. Mr. President, before the Senate adjourned last summer, I took time to discuss this measure at considerable length. I did so because I consider this bill to be of great importance to the sugar producers of our country and to the welfare of my State. I intend to speak only briefly today.

Mr. President, the people of Wyoming know of my long and deep interest in the production of sugar beets in our State.

The roots of the sugar beet travel 6 or 7 feet into the soil, enriching it every inch of the way. When sugar beets are grown in rotation with other crops, they promote soil equilibrium. Instead of mining the soil or robbing the soil, as some crops may do, the sugar beet increases soil fertility as long as rotation practices are followed. As a matter of fact, the sugar beet returns almost everything it takes from the soil. The very nature of the sugar beet itself and the rotation system, Mr. President, make it abundantly clear why farm conditions improve when sugar beets are grown.

The byproducts of sugar beets, such as beet tops, pulp, and molasses, have made possible the tremendous cattle-feeding and lamb-feeding business in the Mountain West. I may say, Mr. President, as I have said before, that the tops from an acre of sugar beets are reckoned to have a feeding value equivalent to that of 1 ton of alfalfa. Is it any wonder, then, that the Western States are deeply interested in the sugar beet industry, inasmuch as millions of cattle and sheep are fattened each year in the sugar beet areas? In many communities in the west the feeding operation means the building of an entirely new business operation. Feeding operations are generally conducted in the corn States of the Middle West. Everyone must agree that this great industry must be permitted to grow with the country.

I congratulate the Senate Finance Committee for bringing in this bill designed to restore to domestic producers their historic share in the growth of the United States sugar market. This legislation opens the way for domestic producers to participate in the larger market constantly being created by an increase in our population resulting in the growth of the consumption of sugar.

Let me make clear that in the beginning of consideration of the amendments to the Sugar Act of 1948, I was hopeful that a more generous increase in quota could be made available to domestic sugar beet and sugarcane growers than is provided by the committee amendment. After consulting with leaders of the industry in my State I have been assured that the bill includes the principles for which the industry contends, and consequently merits the support of all friends of the industry.

However, there is one point in connection with the administration of the act which I wish to call to the attention of the Senate. There are areas in my State—and I am sure there are such areas in many other States—which have not received an acreage allocation for 1956 sufficient to meet their needs.

The national total for 1956 allocated to sugar beets amounts to 850,000 acres. That total is allocated to growers in the various States on a historic production basis. Each year circumstances prevent nearly every State from planting its total acreage. In some cases the deficit is slight. For example, Wyoming's deficit last year was only 100 acres. However, 42,204 acres of the total of 850,000 acres of sugar beets were not planted last year. Michigan failed to plant 15,806 acres. For one reason or another the following States failed to plant their quotas by the amounts indicated: California, 10,410 acres; Colorado, 6,715 acres; Wisconsin, 5,665 acres. Ten other States failed to reach their quotas by small acreages.

It seems to me that the Sugar Division of the Department of Agriculture should make immediate plans to change its system so that quick determinations of the deficit areas could be made, in order that the unplanted acreage allotments in certain States could be transferred to States so badly in need of additional acreage. It seems to me that if the officials in charge of this program are vigilant and alert, the greater part of the 42,000 unused acres of allotment can be promptly made available to the States like my own, which need additional acreage so badly.

I am supporting this bill, but I do so on the assumption that the Department of Agriculture will take immediate steps to remedy the situation with respect to the transfer of acreage allotments from deficit States to other States before the planting season begins. In view of the crying need for additional sugar beet acreage in so many areas of the West, it seems to me that the Department of Agriculture could make a great contribution by transferring this acreage as quickly as possible when it becomes available. To my way of thinking, it is the clear duty of the Sugar Division to take such action.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. BARRETT. I am delighted to yield to my distinguished colleague from Nebraska.

Mr. HRUSKA. In connection with the subject of quick transfers of acreage allocations, would any such transfers made this year be prejudicial to the allotment

made next year to the State relinquishing a part of its acreage?

Mr. BARRETT. No, sir; it would not. The State would not lose its historic allotment under the act. The acreage could be transferred to other States on a temporary basis, so that they might plant additional acres for that particular year.

Mr. HRUSKA. The planting seasons of the various States begin at different times; do they not?

Mr. BARRETT. The Senator is quite correct.

Mr. HRUSKA. Therefore it would be of some moment to have a quick determination by the proper division, even if it were to apply to this season. Is that correct?

Mr. BARRETT. The Senator is entirely correct. For example, in the State of Michigan 15,000 acres were not planted last year. If that were known by the first of March, those 15,000 acres could be easily transferred to States like Nebraska, which the Senator represents in part so admirably, and my own State of Wyoming, and to other States in the West where the planting season is later than it is in Michigan.

Mr. HRUSKA. Is there any reason why prompt action cannot be taken if there is the will to do it?

Mr. BARRETT. None whatsoever, in my opinion.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BARRETT. I am glad to yield to my distinguished colleague from Colorado.

Mr. ALLOTT. Is the Senator able to say why some of these discrepancies appeared in the planting statistics during the past year?

Mr. BARRETT. I am not familiar with every State in the Union, but I do know that in the Western States there was a severe drought last year. Undoubtedly that would account for some of the cuts in acreage. In some States, like my own, there were terrific floods during the planting season; and no doubt that fact accounted for some reduction in Wyoming and the same situation prevailed elsewhere.

Mr. ALLOTT. Is it not true that the planting and harvesting of sugar beets require a comparatively high expenditure and investment in the initial stages, as well as in the harvesting?

Mr. BARRETT. The Senator is entirely correct. In order that any grower may take advantage of increases which might be available, he must necessarily have the information in advance of the planting season, so that he may make his plans accordingly.

Mr. ALLOTT. I value the opinion of the Senator from Wyoming because he has had great experience in this field. In the Senator's opinion would it be possible that a part of the planting which was not made was accounted for by the fact that in individual instances the farmers did not feel that they had sufficient acreage to justify planting for that year?

Mr. BARRETT. That might be true in some instances. However, I am inclined to believe that the big cuts in Michigan and Wisconsin, for example,

have been occasioned by reason of the fact that greater profits were possible from other crops than sugar beets. That is not true in the Mountain States, since the growing of sugar beets is so profitable in the irrigated areas.

Mr. ALLOTT. I should like to ask one further question. Since the comparatively high mechanization of sugar-beet planting and harvesting, is it not true that the advantage of the average farmer would be far better served by a bill providing a program of some duration—for example, 6 years—so that the farmer may plan for the future, rather than a bill providing for a short program, such as the one suggested a while ago by the Senator from Arkansas [Mr. FULBRIGHT]?

Mr. BARRETT. The Senator from Colorado is eminently correct. Of course, the Sugar Act of 1948 has been on the books for more than 6 years, with 1 slight amendment in 1951, as the Senator well knows.

Mr. ALLOTT. I thank the Senator.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. BARRETT. I am delighted to yield to my distinguished colleague from Idaho.

Mr. WELKER. I am delighted to be able to participate in this discourse on the floor of the Senate with my able colleague, the senior Senator from Wyoming [Mr. BARRETT] who comes from a neighboring State, and who has worked diligently and hard for the enactment of a bill which would be satisfactory to the sugar-beet growers of Idaho, Wyoming, and all other areas of the country.

Knowing him to be a profound student of the subject, I should like to propound a few questions to him so that as it appears in the RECORD the debate on the sugar bill will be clear.

Mr. BARRETT. Before the Senator from Idaho propounds an inquiry to me, let me disclaim any superior knowledge in the field of sugar production. I am only a country lawyer trying to do the best job I can to help the people of my State. I do not claim to be an expert in this field, although I believe I know something about the needs of the sugar-beet industry of the West. As the Senator from Idaho knows very well, we are hopeful of getting the proposed legislation enacted.

Mr. WELKER. I may say that although the Senator may not know all the technical answers, it is a fact that he has worked hard to do all he can for the sugar-beet industry of this country.

Mr. BARRETT. I thank the Senator from Idaho.

Mr. WELKER. Would the Senator be kind enough to tell me, in rough figures, about how many additional acres the bill, if it should be enacted, would allow us in Idaho, say, in the year 1962?

Mr. BARRETT. Well, I may say to my distinguished colleague, that it is extremely difficult to predict just what the increase might be by 1962. However, I can say that, as the Senator well knows, under the bill the first 165,000 tons over and above the estimate of the 8,350,000 tons, which was made by the Secretary of Agriculture on December 1st last year, will go to the domestic sugar-beet and

sugarcane producers, divided 51½ percent to the sugarcane producers and 48½ percent to the sugar-beet producers.

In my judgment that will result in an increase in 1956, this year. I anticipate that before the first of March the Secretary of Agriculture might very well be able to say that the consumption in 1956 will be 8,450,000 tons, instead of 8,350,000 tons and as a result, 100,000 tons will be available to the beet and cane producers of this country. Therefore, we can look for some increase this year. If the increase continues in 1957, as I expect it will, we will get the other 65,000 tons increase, making a total increase to domestic producers of 165,000 tons over and above the base of 8,350,000 tons.

Mr. WELKER. I believe the distinguished Senator from Wyoming will agree with me that the domestic sugar-beet producer has received very little of the grease in the fryingpan that has not already been burned.

Mr. BARRETT. I agree with my colleague wholeheartedly. I can only say that from 1948 to 1955, the consumption of sugar in this country increased from 7,200,000 to 8,350,000 tons, and that the domestic producers got none of that increase.

As I said a moment ago, we will get the first 165,000 tons of additional sugar consumption in this country right off the bat. After that we will participate in the increased consumption arising from the increase in population, on a basis of 55 percent to the domestic producer and 45 percent to the foreign producer. Consequently, I am sure we can look forward to 1962 for considerable additional relief. Just how much it will be, I am not prepared to state, or to even predict.

Mr. WELKER. I thank the Senator from Wyoming. I know the Senator can tell the sugar-beet producers of the United States that we, the American people, consume more sugar than we produce; is that correct?

Mr. BARRETT. Yes; indeed it is correct. We produce about 28 percent of the sugar we consume in the United States, as such. Of course there is sugar, produced in Hawaii and Puerto Rico and in the Philippines, which comes into this country, but on the mainland we produce only 28 percent of the sugar we consume.

Mr. WELKER. The Senator from Idaho has long complained about the philosophy of Government which permitted us to give the benefits of increased production to offshore islands and countries far away. He has always felt that the domestic producer, whether he be a cane or beet sugar producer, should be given a right to live and earn income from his farm. I have complained, as the Senator from Wyoming has, and as other Senators have, about the very large percentage of the increased domestic sugar requirements being supplied by overseas producers, when we have World War II veterans in our States who depend on a cash return from sugar-beet fields, but who are handicapped because someone overseas is getting the benefit of the increased consumption in the United States.

During the colloquy between the Senator from Utah [Mr. BENNETT] and the Senator from Arkansas [Mr. FULBRIGHT]

I heard the question asked, why the bill was considered by the Committee on Finance. I am wondering whether it should not have been considered by the Foreign Relations Committee, inasmuch as we seem to be bailing out everyone else but the farmer of the United States.

Mr. BARRETT. I believe it is time that we give the American farmers a break. I am hopeful we will get this bill enacted. It is not all that we would like it to be, but it is a decided improvement over the 1948 act.

Mr. WELKER. Would the Senator agree with me that the delegation which came to Washington from Wyoming and the delegation which came to Washington from Idaho took the crumbs that fell on the floor and had to say, "All right, we will take them," but that they were not satisfied? Is that a fair conclusion?

Mr. BARRETT. I would not go quite that far. I would say that they were not too happy with the bill as it came out of the committee. They agreed to the bill, and they have advised their representatives in the Senate and in the House that in their opinion it is the best legislation they can get. As I said before the industry as a whole has agreed to the bill.

As I said earlier, I congratulate the distinguished chairman of the committee and the other members of his committee for bringing this bill to the Senate floor. I hope it will be enacted without amendment.

Mr. WELKER. Is it fair for me to say that, if everything goes well and the act is administered as it is intended it should be, and consumption keeps up as we anticipate, we of Idaho will receive an allotment of about 500 acres of additional land to go into sugar beet production?

Mr. BARRETT. I would hazard the guess that the additional acreage in the Senator's State might be twice that amount in 1956. In addition to that, I am sure that the distinguished Senator from Idaho heard my remarks a few moments ago to the effect that last year, for one reason or another, about 42,000 acres in various States were unplanted. I am suggesting to the Department of Agriculture in my remarks today that it take steps to insure that that unplanted acreage shall be allocated to other States, where additional acreage is badly needed. If that were done, I am sure Idaho would get at least 2,000 more acres, in addition to the 1,000 acres I mentioned a moment ago.

Mr. WELKER. I remember talking with the distinguished Senator from Wyoming about this question before the planting season last year. I wish to know why steps were not taken at that time whereby the sugar-beet farmers could have paid off, or reduced, the heavy mortgages on their farms and farm equipment and could have had a better mode of living. Why is it, at this late hour, that we have to tell someone to be on the ball? We have known of the Sugar Act since 1948. I wonder why we should have to come forward at this late hour and say to those who are in a position to take action, "You fellows be on the ball and do better." That is what they were hired for in the first place.

Mr. BARRETT. Since the matter has been called so forcefully to the attention of the Sugar Division of the Department of Agriculture, I am very hopeful that the sugar branch will take steps in the immediate future to see that action is taken, before the planting season begins in the West, to transfer allotments from those States which do not desire to plant their full acreage.

Mr. WELKER. I am sure my distinguished colleague knows how I feel about this bill. It is one of the things we have to take, but I do not like it any better than does any other Senator on this floor. I wish to ask the Senator whether he likes the idea that 40 percent of the Cuban sugar interests are owned, controlled, and operated by the capital of United States citizens, in direct competition with the farmers of my State and farmers all over the United States.

Mr. BARRETT. I do not wish to be inconsistent in my remarks. As I said earlier, while I am not entirely happy with the bill, nevertheless I do appreciate the fine work of the Finance Committee, and, under the circumstances, I am going to be quite content with the bill if we can pass it without amendment.

Mr. WELKER. I appreciate the work of the committee. I know what tremendous difficulty they had with it. I am grateful that they did not give everything away to Cuba or Puerto Rico.

Mr. BARRETT. I might bring out another point, namely, that I hope that when the committee goes to conference on the bill that it will bring back a bill that is no worse, so far as the American producers are concerned, than the bill in its present form.

Mr. CHAVEZ. Mr. President, will the Senator from Wyoming yield, so that I may ask the Senator from Idaho a question?

Mr. BARRETT. I yield for that purpose.

Mr. CHAVEZ. I do not mind the Senator from Idaho having a grievance against Cuba, but when he attacks Puerto Rico, which is just as much a part of the Union as are Idaho and New Mexico, I do not like it.

Mr. WELKER. I did not know Puerto Rico was a State.

Mr. CHAVEZ. It is not a State, but it is part of the Union.

Mr. WELKER. Since the Senator from New Mexico has singled out Puerto Rico, let me say that I have no quarrel with Puerto Rico, as such, or with Cuba, or Haiti, or any other country, but there are hundreds of thousands of veterans to whom we promised land, and they are not getting a dime out of the soil.

Mr. CHAVEZ. I agree with the Senator.

Mr. WELKER. I want the people of Puerto Rico to have prosperity, too.

Mr. CHAVEZ. As well as the people of Idaho.

Mr. WELKER. Not only the people of Idaho, but people all over America.

Mr. FULBRIGHT. Mr. President, will the Senator from Wyoming yield?

Mr. BARRETT. I yield.

Mr. FULBRIGHT. Is it a fact that the State of Wyoming produces about 35,000 acres of sugar beets?

Mr. BARRETT. We have planted as much as 50,000 acres, but we have been obliged to take substantial cuts in our acreage in the past few years, and we plant only 35,000 acres at the present time.

Mr. FULBRIGHT. The Senator knows that every other basic commodity has been affected in a like manner, and will take another cut this year. So there is nothing unusual about that.

Mr. BARRETT. I do not know that that is precisely true in the West. So far as Wyoming is concerned, the wheat acreage has increased considerably, and, at the same time, the sugar beet acreage has decreased.

Mr. FULBRIGHT. We do not raise wheat in Arkansas, but I was under the impression that there was a surplus of wheat. We certainly have decreased the acreage of cotton from about 26 million to about 18 million in a very short time.

Mr. BARRETT. I will say to the Senator that so far as sugar is concerned and so far as wool is concerned, we produce only about a third of the wool and less than a third of the sugar we consume in this country.

Mr. FULBRIGHT. Are they not also the only two agricultural commodities on which there are support prices above 90 percent of parity?

Mr. BARRETT. The sugar producers of this country are not subsidized by the Government. It is true that there is a processing tax paid by the sugar refiners of the country which goes to the growers.

Mr. FULBRIGHT. The Senator knows very well that the distinguished Senator from Virginia said the sugar taxes are paid by the consumers.

Mr. BARRETT. I do not think that the distinguished Senator is correct about that. The tax is not paid by the consumer; it is paid by the processors, and the price of sugar has not been raised as a result of the processing tax.

Mr. FULBRIGHT. Let me refer to page 82 of the hearings on the extension of the Sugar Act. I read from the middle of that page:

The CHAIRMAN. That is added to the price of sugar, of course.

Mr. MORSE. The users of sugar.

The CHAIRMAN. The users of sugar pay; it is reflected in the price, like the gasoline tax.

That was the distinguished chairman of the Finance Committee [Mr. BYRD], who, I think, we all admit, knows something about taxes.

Mr. BARRETT. I have a very high regard and deep affection for the distinguished senior Senator from Virginia. I follow the Senator from Virginia on many issues on the floor of the Senate, but on this particular item I certainly do not agree with him at all, and I invite attention to the fact that Mr. Frank A. Kemp, of Colorado, who appeared before the committee, represents all segments of the sugar industry in this country, and whose testimony can be found at page 123 of the hearings, and who took sharp issue with the distinguished Senator from Virginia, and contended very forcefully, and, I think, very accurately, that the proc-

essing tax is paid by the refiners and is not passed on to the consumers.

Mr. FULBRIGHT. I am informed that the Senator from Virginia buys a little sugar, and he feels that the price is passed on to the consumer.

Mr. BARRETT. Sugar is the cheapest commodity available to the American people today. The price has not raised materially, for a great many years, except during World War I, and World War II. During World War I the price went up to 15 cents a pound, the highest price in 100 years. We can compare the price of sugar today with the price of sugar 50, 60, or 70 years ago, and taking into consideration the value of the dollar it is cheaper today than ever in our history.

Mr. FULBRIGHT. Will the Senator agree that the price of sugar in the United States is higher than the world price of sugar?

Mr. BARRETT. I agree that it is higher than the world price of sugar, but I say to the Senator that in this country the children are educated far better than are the children of Cuba, and that the wages paid to the working people of Cuba are not nearly as high as those paid to workers in the United States. If the Senator from Arkansas wishes American labor to go down to the standards of foreign producers then, I suspect, we could compete with the world producers in a measure, anyway.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. BARRETT. I yield.

Mr. DWORSHAK. Does the Senator from Wyoming know whether the domestic price of oil is higher than the world price of oil today?

Mr. BARRETT. I think it is.

Mr. DWORSHAK. Is the Senator certain of that?

Mr. BARRETT. Yes, of course it is.

Mr. FULBRIGHT. I may say to the Senator from Wyoming that the oil business is not before the Senate asking for a handout from the Federal Treasury. That makes a little difference. If we were paying the oil producers an enormous subsidy, the question might have some pertinence. But I fail to see any relevancy of this matter to oil or to any other privately produced commodity.

What is being sought here is to have the Government pay out of the Treasury some \$64 million a year in a direct subsidy by the operation of the Sugar Act. So far as I can determine, it will cost the consumer more than \$300 million a year by causing the price to average about 2 cents a pound above the world price. Using the figure of 8,500,000 tons, I think the cost would be in the neighborhood of \$300 million. So this has nothing to do with oil.

But if the Senator from Wyoming will permit me to do so, while I do not wish to delay him, I should like to ask him one or two questions.

Mr. BARRETT. First, I wish to make an observation in answer to the statement made by the Senator from Arkansas. Not only do the American producers of sugar, both beet and cane, receive the benefit of the higher price paid in this country, but also the producers in Cuba also receive the benefit of the

higher price. If the Senator from Arkansas is concerned about the Cuban producers, as I gather he is—

Mr. FULBRIGHT. No. I am concerned about the American consumers and about the American producers of rice and other commodities which are normally and naturally produced in the United States, and which this artificial product is destroying. I have no particular interest in the producers of Cuba, and I said nothing which would so indicate.

Mr. BARRETT. As I have repeatedly said to the Senator from Arkansas, sugar is the cheapest food commodity available to the American people today. I do not know why under the sun he picks out sugar and says it ought to be cheaper; it is today and so much cheaper than anything else. I think the record shows that the producers of the United States have made available a supply of sugar in this country sufficient to meet the needs of our Nation, so far as they were permitted, and at a price that is wholly reasonable and much below the price of any other food commodity.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. May I ask the Senator from Wyoming a question or two?

Mr. BARRETT. I shall first yield to the Senator from Idaho and then to the Senator from Arkansas.

Mr. DWORSHAK. When the Senator from Arkansas insists on saying that the sugar producers of the United States receive a subsidy, is he not incorrect? Does not the record show that when the half-cent tax was levied on the processing of sugar in this country, currently the tariff on Cuban sugar was reduced from \$2 a hundred pounds to 50 cents a hundred pounds, and as to full-duty sugar-producing countries, it was reduced from \$2.50 a hundred pounds to 62½ cents a hundred pounds?

Mr. BARRETT. The Senator from Idaho is correct.

Mr. DWORSHAK. So a partial processing tax was established to offset the reduction—the drastic reduction—in the tariffs on sugar.

Mr. BARRETT. The Senator is correct. After the processing tax had been levied by Congress, the price of sugar did not increase, as the Senator from Arkansas intimated it had, but remained stable and, certainly, no increase was passed on to the consumers.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BARRETT. I yield.

Mr. LONG. The Senator from Arkansas has spoken of saving the consumers \$300 million a year. It is true that perhaps we might save a few million dollars if we put all the beet and cane growers out of business. But if it is desired to save the taxpayers' money, we could reduce the amount of our foreign-giveaway program, for which the Senator from Arkansas has voted. In that way we could save billions of dollars a year, perhaps many times as much as the Senator from Arkansas hopes to save at the expense of the farmers.

Mr. BARRETT. In order to try to bring that about, I have voted for the

amendment of the Senator from Louisiana year after year.

Mr. O'MAHONEY. Mr. President, will my colleague yield?

Mr. BARRETT. I yield to my distinguished colleague.

Mr. O'MAHONEY. I thank the senior Senator from Wyoming. I wanted to make a little comment for the ear of the Senator from Arkansas. Having listened to his argument in response to the statement by my colleague, I fear the Senator from Arkansas is being misled by overlooking the turbulent state of commerce in the world.

If the Philippine Islands could export the sugar which is produced in the Philippines into the main area of China, all the Philippine production would be easily absorbed in China. If the situation in Europe were not torn by an economic war between Soviet Russia and the United States and other western free countries, then the price of sugar in Europe would be far greater than it now is.

The Senator from Arkansas is basing his argument upon conditions that proceed from the international situation, which everyone hopes will speedily pass away. The Sugar Act was passed as a substitute for the tariff, in order to encourage the production of domestic cane and domestic beet sugar in the United States, so that this country would not be at the mercy of the offshore producers, who sell at a much greater price than that at which they could sell if they did not have the competition from the domestic areas.

While we preserve the right of the United States producers of cane and sugar beets to help contribute to the consumptive market in the United States, we are setting up a barrier against what would be an increase in price to all domestic industrial and residential consumers if the act were not upon the books.

Mr. BARRETT. I agree 100 percent with my distinguished colleague on that point.

I said earlier today that the only time in the past 100 years when the price of sugar got out of line in this country was during World War I, when hardly any sugar at all was produced in the United States. Consequently, we were at the mercy of the foreign producers. At that time the price of sugar went up 300 percent. I think that proves conclusively that if we were to subject the American consumers to foreign producers, the price of sugar would be much higher than it is today.

Mr. O'MAHONEY. In other words, if we were to yield to the argument of the Senator from Arkansas, we would be placing the consumers and the producers of the United States at the mercy of foreign producers.

Mr. BARRETT. The Senator is eminently correct, in my judgment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BARRETT. I yield.

Mr. FULBRIGHT. What was the price of sugar in World War II? Why does the Senator go back to World War I? What was the price of sugar in 1943 or 1944? Was it 15 cents?

Mr. BARRETT. It went up, as I said, to over 15 cents in World War I.

Mr. FULBRIGHT. What about World War II? What was the price of sugar then?

Mr. BARRETT. During the Second World War the price of sugar was low. It was around 5.49 per hundred in New York. The price of sugar in 1950 was 7.8 cents a pound.

Mr. FULBRIGHT. What was it in 1944 or 1943?

Mr. BARRETT. I do not have those figures, but it was not so high as the Senator has suggested.

Mr. FULBRIGHT. It was not so high as it is now.

Mr. BARRETT. But the increase came about because Cuba had a tremendous market in Great Britain and in Europe. Consequently, Cuba supplied that market and was at liberty to withhold from the American market as much of the Cuban product as it desired. Therefore, the price of sugar went up somewhat during World War II. But it did not go up in proportion to the rise in the prices of other commodities. I can say that.

Mr. FULBRIGHT. Would the Senator permit me to read for the record 1 or 2 examples of prices? Let us take the price of Cuban raw sugar in 1947. I am referring to pages 66 and 67 of the hearings.

The price of Cuban raw sugar in 1947 was 5.03 cents.

In the United States, at New York, the price of raw cane sugar in January 1947 was 6.03 cents.

In January 1955, the price of Cuban raw sugar was 3.17 cents.

In January 1955, the price of raw cane sugar at New York was 5.96 cents.

That shows the great spread between the world price and the price in New York.

Mr. President, I really was not trying to argue that point with the Senator. What I desired to bring out—

Mr. BARRETT. Before the Senator proceeds, let me say to him that if he wants to be fair about it, the wholesale price in New York of 8 cents a pound which he mentioned compares very favorably with the price in 1880. The price then was 9.6 cents. Does the Senator know of any other food which is made available to the American people today which stands on a level similar to that of sugar, or about the price of which it was 75 years ago?

Mr. FULBRIGHT. I am saying that the price would be much lower if it were not for the Sugar Act.

Mr. BARRETT. If the Senator will permit me, let me say to him that if sugar producers didn't have to pay or if the growers and laboring people of America could be persuaded to work for a few dollars a day, or if the price of automobiles could be reduced from \$3,000 down to \$600 or \$700, then I think we could produce sugar in America in competition with Cuban sugar. If the Senator wants to do that, then America is going to be in a bad way.

I want to keep America's way of life as it is today. I want to keep the American people on a standard that is the best in the whole world. If we are to suc-

ceed in that, if we are to keep the American people on the level which has made this country great, then we cannot adopt the philosophies and policies espoused by the Senator from Arkansas.

Mr. FULBRIGHT. The Senator from Wyoming completely misinterprets my point. I object to the discrimination in the bill against other legitimate interests in the United States, the consumer, the producer of rice, and producers of all kinds of commodities which the Cubans and others would like to buy. That is why I am interested in the bill. As the Senator has indicated, this is a very unique bill.

I wish to go back to one matter. The Senator has said that his State produces, very largely, wool and sugar. They are two agricultural commodities which are supported by Government intervention and governmental subsidy at considerably above 90 percent of parity. There is a bill presently being considered by the Committee on Agriculture and Forestry in which other producers of agricultural commodities are seeking to get 90 percent of parity price supports. We are not asking for more than that.

I wonder if the Senator from Wyoming would tell me whether he would support an amendment which would adjust the subsidy so that sugar would be given a 90 percent support price. Would he accept such an amendment? I am going to offer it. I wonder if such an amendment would meet with the Senator's approval.

Mr. BARRETT. I certainly would not accept it, for the very good reason that the American sugar producers are barely able to make a living in raising sugar beets as it is. I am sure that is true of sugarcane.

I say to the distinguished Senator from Arkansas that prices for sugar beets, even including Sugar Act payments, reached parity only in 1949, and for sugarcane only in 1950 and 1953. For the other years beet prices have averaged 93 percent of parity, and cane prices 84 percent.

Mr. FULBRIGHT. I am sure the Senator is familiar with the sugar reports published by the United States Department of Agriculture, Commodity Stabilization Service, Sugar Division, Washington, D. C., for October 1955. I ask him to look at page 19.

Mr. BARRETT. I do not have it before me.

Mr. FULBRIGHT. The parity price of sugar beets in 1947 was 113 percent; in 1946, 129 percent; in 1944, 143 percent; in 1945, 135 percent.

I submit the Senator is completely in error in his statement.

The point I am trying to make is why the Senator is not content to have sugar producers treated in the same way cotton, wheat, tobacco, and rice producers are treated. We are struggling to get 90 percent of parity support prices. We have not obtained 90 percent.

Mr. BARRETT. I want to tell you why I would not be satisfied. There are two reasons. In the first place, as I said before, wool and sugar are deficit commodities, so far as this country is concerned. We produce only about one-

fourth of the sugar we consume and about one-third of the wool we consume. The other commodities which the Senator has mentioned are produced in surplus in this country. Consequently, the United States is trying its very best to bring the production of those commodities in line with domestic consumption.

I wish to say something else. As far as sugar is concerned, the excise taxes are paid by the processor and not provided by an appropriation by the Congress. As a matter of fact, there is a tremendous surplus in the Treasury arising from the excise taxes which have been paid over the past 20 years. It amounts to about \$300 million.

Mr. FULBRIGHT. I take it the Senator's answer is that he would not be satisfied with a 90-percent support price on sugar. Is it not a fact that the Wool Act is based on 105-percent prices for wool? It seems rather strange to me that just those two commodities should be singled out of all the agricultural commodities produced in this country, and given very extra special treatment. I am not willing to agree to it. I do not see any reason why those commodities should be given special treatment above the treatment given to rice, cotton, wheat, corn, or any other agricultural commodity. Merely because we are able to do it does not justify it, in my opinion.

Mr. LONG. Mr. President, will the Senator from Wyoming yield?

Mr. BARRETT. I yield.

Mr. LONG. Does not the Senator from Arkansas know that there have been tremendous cutbacks in sugar acreage? For instance, in my State acreage has been reduced by one-third. With such major reductions in acreage, the producers need to have more than 90 percent of parity. I never knew anyone was planning that the farmer would get only 90 percent of parity. It was hoped that the farmer would get as much as 100 percent of parity. I cannot understand why the Senator from Arkansas or anyone else would want to try to reduce the farmer's income, merely because farmers are getting a little better than 90 percent of parity, when the objective was at least 100 percent.

Mr. BARRETT. I agree with the Senator from Louisiana. We are all hopeful that farmers will be able to get 100 percent of parity for their products.

Mr. LONG. The fact that farmers who are producing cotton, wheat, rice, or any other commodity get less than 90 percent of parity does not mean that we like to see that applied to others. We would like to see all of them get a better price than 90 percent of parity.

Mr. BARRETT. I share the objective of the Senator from Louisiana in that respect. I will say to my distinguished friend that certainly if parity represents the fair price the farmer should get compared with the price of things he buys, he certainly should get 100 percent of parity.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. BARRETT. I yield.

Mr. LONG. If I correctly understand the argument of the Senator from Ar-

kansas, and I have heard him make it several times, the objective is not merely to reduce the income of the sugar farmers; it is to put them out of business completely.

Mr. BARRETT. Yes.

Mr. LONG. He is proposing to run them out of business not merely to reduce their income.

Mr. BARRETT. I think what he is proposing certainly would have that effect.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLOTT. Mr. President, it is my desire this afternoon to discuss certain aspects of the sugar bill, particularly with respect to its impact upon the rural life in a great many of the States of the Union.

Experts tell us that no food in our diet can compare with sugar as a source of quick energy. Perhaps it would be appropriate for us to help ourselves to a couple of lumps right now, if it would do any good toward facilitating quick consideration of the bill.

This generally admirable legislation, first enacted in 1934, regulates the sugar commerce of the United States.

Mr. President, while I am at this point, I should like to commend particularly the distinguished senior Senator from Wyoming [Mr. BARRETT], and to call the attention of the Senate to the wonderful and admirable argument and exposition he made on this matter last summer. At that time the senior Senator from Wyoming went into the complete legislative history of the entire sugar business and sugar legislation. I know of no place in which that subject has been more fully or completely or accurately covered than in the speech he made before the Senate, last summer.

Mr. President, this legislation has served our economy well. Chiefly, it has halted the cycle of "boom or bust," once so characteristic of the sugar industry. Those of us who have lived with and among farmers, particularly farmers who grow either sugarcane or sugar beets, can well remember the "boom or bust" characteristics which were prevalent before enactment of the Sugar Act. More important, that act has served the consumer well, by maintaining an adequate supply of sugar at reasonable prices.

But the Sugar Act does more than regulate the commerce of sugar. It also exerts a powerful influence over the health and stability of the Nation's agriculture, for sugar beets and sugarcane are essential crops in important sections of the Nation. In many areas, indeed, one or the other is the key crop.

It may be forgotten—and, Mr. President, Senators who today have spoken of the new land that is being brought into use by the sugar industry may be among those who have forgotten it—that sugarcane was being grown in Louisiana even before the United States became a Nation, and that it had become basic to the economy of that State by the time George Washington was elected to his second term as President, in 1792. This is, nevertheless, the case, and, in

fact, through all the intervening years agronomists have searched in vain for an adequate substitute crop.

Sugar beets have done much to shape the destiny of the once-barren West, the magical combination being that of sugar beets and water. Ours are relatively new lands—that is to say, relatively new, when compared with the east coast and the Thirteen Original Colonies. Nevertheless, the sugar industry has figured in our Nation's history for more than a century.

Mr. President, as has already been pointed out by other Senators, in remarks they have made on the floor, although the great increase in the production of sugar beets in Colorado has come about in part as a result of the development of reclamation projects—and we are proud of them—85 percent of them have been developed under private initiative with private capital, and only 15 percent of these irrigation developments throughout our great State have been made with the assistance of the Federal Government.

Mr. President, one who drives an automobile, flies in a plane, or walks throughout our State will find old canals which were built, not with modern steam shovels, but by horny-handed men who came West and, with the aid of a slip and an old mule, built ditches from the rivers or the creeks to their homes, and attempted—without the modern means of ground leveling which are now available—to develop and maintain a real agricultural economy in our State. I may say that in the great State of Colorado, agriculture is still by far the most important single industry.

Today, sugar beets are grown in 22 of our Western States, Colorado ranking second in that production. Sugar beets are processed into sugar in 71 factories. Thousands of individuals and hundreds of communities depend directly upon the beet-sugar industry for their economic well being.

The beet-sugar industry supplies not only the raw material for the making of sugar, but also feed for cattle and for the fattening of other livestock; and it supplies off-season employment to hundreds of men in farm areas throughout the West.

Nor is the production of sugar the only contribution made by sugar beets. Beet molasses and beet pulp, two of the valuable byproducts of the manufacturing process, are highly prized by the cattle industry as finishing feed. The leaves of the plant, which are severed from the large root in the harvesting process, also are excellent stock food, having approximately the same nutritive value as alfalfa hay. On the average, the byproducts of an acre of sugar beets will produce a little over 300 pounds of dressed meat.

Beyond the matter of byproducts, the sugar beet is of extreme importance in crop-rotation plans. Many farmers, in fact, begin their calculations with the sugar beet, acknowledging that although this sturdy, adaptable plant will not be their most lucrative crop in any single year, it will be the most dependable.

These qualities—sturdiness, adaptability, and dependability—not only make the sugar beet a highly attractive crop in our Western irrigated regions, but in many cases an irreplaceable crop. This is most obviously the case with farmers confronted with soil problems, extremes of climate, and the like.

The efficiency of the remarkable sugar beet, which is grown in the United States at altitudes ranging from below sea level to over 7,500 feet, is matched by the efficiency of the men who grow them. Efficiency is indeed characteristic of our Nation's sugar industry. It has no equal any place else in the world.

Mr. President, let me point out briefly that nowhere is this more evident than in the situation in regard to the seed itself. Until 1923, our sugar-beet farmers depended for sugar beet seed upon the countries of central Europe. From the beginning of large-scale domestic production in that year, this branch of the industry has grown to the point where today we are an exporting Nation.

During this period the seed has undergone marvelous changes, wrought by men of science working their modern miracles in the laboratory. Today, our seeds not only produce more sugar, but they also are resistant to diseases such as curly top, a virus infection which once threatened to wipe out the industry in many States. The development of sugar-beet seed and the use of the seed in the United States is in itself a fascinating story, worthy of long consideration by us. However, in order to speed along the debate, I shall now address myself to other matters.

Equally great strides have been made in the development of special machines, most of them devised by the farmers themselves. Among many others, we now have the huge mechanical beet digger, which today harvests virtually all of the crop in many of our States.

The result of accomplishments such as these has been steady growth in production. In the year 1923, to which we referred a moment ago, yields on our best farms averaged 8.5 tons per acre. Thirty years later that average had climbed to 14 tons, an increase of 68 percent.

The skillfulness indicated by the achievements of American beetgrowers is to be found in all our domestic producing areas.

Hawaii, for instance, is the most efficient cane sugar area in the world. In 1953, production of a ton of sugar there required but 2.93 man-days of field work. Florida was a strong second during the same year, with 4.32 man-days per ton.

We can properly take great pride in the progress made by these fellow Americans of ours. But we cannot be proud of the penalties their accomplishments have provoked.

For to the extent that our sugar producers have increased their efficiency—as they have won more sugar from each acre they have planted—to that extent they have had to reduce their acreage.

In 1954 and 1955, for example, our mainland cane growers suffered acreage reductions totaling 18 percent, and a further cut of 11.5 percent was authorized for this year. Enforced acreage re-

ductions in our western beet areas averaged 10 percent last year and similar reductions were ordered for 1956. The reduction in my own State was 13 percent.

Such cutbacks in acreage point compellingly to the challenge those of us in the Congress face today, for they are the result of the Sugar Act of 1948.

This act, as we have noted, regulates the sugar commerce of our Nation. As the law was written and as it still stands, however, American sugar producers are imprisoned within fixed annual quotas which shut them off from any expansion of that commerce.

These quotas, covering the western beet areas, mainland cane, Hawaii, Puerto Rico, and the Virgin Islands, total 4,444,000 short tons, raw value.

That is considerably less than half of our Nation's present yearly sugar requirements. The remainder is purchased from foreign countries, principally Cuba, which by law is assigned 96 percent of our total sugar imports.

But of course our annual requirements, unlike the quotas of our producers, are by no means fixed. Inevitably they change as the size of our population changes, and as the demands of our people require more sugar.

When the Sugar Act of 1948 established the quotas of our domestic producers, the annual sugar requirements of the United States totaled 7,200,000 tons. In the intervening years that annual total has risen by more than 1 million tons.

Cuba has therefore seen her market for sugar in the United States climb from 1,923,480 tons in 1948 to 2,667,840 in 1955 without the American farmer benefiting to the extent of \$1 from such increase.

Meanwhile the market for the American beet sugar producer, to cite 1 example in contrast, has remained fixed at 1,800,000 tons. His efficiency has not remained fixed, as we have seen, nor his inventiveness nor his energy. Whatever progress he may have made as a farmer, however, he has been kept within a marketing quota established 8 years ago, and today that marketing quota is being fought for on the floor of the Senate. The only choice in this frustrating and inequitable situation was to reduce his acreage, and that is what has been done.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. LONG. I wish to compliment the Senator on the very fine speech he is making. I find it interesting to note that, while we have reduced the acreage of our own sugarcane producers and sugar beet producers by about one-third, they have been compelled to find ways of increasing their efficiency in order to stay in business. If the increase in the market had been attributed to our own producers instead of Cuban producers, we would not have had to reduce the acreage of our own farmers.

Mr. ALLOTT. The Senator from Louisiana is entirely correct in that statement, and I appreciate his making it at this point.

Mr. LONG. All we are asking in this case is not to have for ourselves what the

Cubans have had up to now, but only to share with foreign countries the increase in the domestic market for the product.

Mr. ALLOTT. Yes. Nothing is so comparable to this situation as the picture of a man being grabbed from behind, with his arms pinned to his side so that he is unable to move them. The sugar beet farmers and sugarcane growers have not been able to move for eight years.

Mr. LONG. Does the Senator know of any other nation in the world in which a large number of people are engaged in a production industry, which has gone to the extent we have gone in sharing our market with our friends overseas?

Mr. ALLOTT. I do not; and I do not know of any instance comparable with that of our sugar beet and sugarcane farmers, who have been so generous in cooperating not only with this administration, but with the preceding administration, in an attempt to help our neighbors and allies.

Mr. LONG. In time of war we call upon cane producers and beet producers to provide us with large quantities of sugar, which are needed to fight the war, when our outside sources of supply are cut off, and the entire world is demanding sugar. It seems only fair to keep them in business during peacetime.

Mr. ALLOTT. I think that point is well made, and I thank the Senator for his statement.

We have before us today another solution for this problem. It is embodied in the Finance Committee bill, which would revise the Sugar Act and extend it through December 31, 1962.

I digress for a moment. The question has been asked as to the reason for a 6-year extension. In my recent questions of the distinguished senior Senator from Wyoming [Mr. BARRETT] I sought to bring out that point. The distinguished Senator from Louisiana is better able than I am to speak of the necessity for long-term planning for the cane producers of his State. Speaking for the people of the West, and for the sugar beet producers, it is necessary that they plan for the future. It is necessary that a farmer be able to dispose of the products which he raises on his farm. He must plan whether they are to be fed to cattle or to sheep, and what sort of material he is to have on hand. He must plan as to whether or not he will build compounds for his sheep and erect sheep fences. He must decide whether or not he wishes to raise cattle and build corrals for them. It is an occupation which definitely requires planning.

Mr. LONG. In the case of those who produce sugar from sugarcane, there is even greater need for being able to plan in advance. Sugarcane is a 3-year crop. The cane producer plants cane, cuts it back, lets it grow again, and cuts it back. A cane grower must plan on a 3-year cycle, from the time he does the original planting to the time of final harvesting. The cane producers, unless they are to be permitted to produce from the acres already planted, must in effect plow up their planting and destroy their crop. Therefore, it is necessary for

them to know in advance how much they will be permitted to produce.

The same thing is true of all the countries which supply sugar to us. Producers who plant sugarcane in Cuba, Mexico, Nicaragua, Peru, Haiti, and other countries need to be able to plan years in advance, just as other cane producers need to know, years in advance, what their market will be.

Mr. ALLOTT. I am sure the Senator would not mind answering a question. Is it not true that what he has said in response to my invitation to speak on the subject is that, really, what the cane producers are planning today will determine the position in which they will be 3 years from today, with respect to their plantings and crops?

Mr. LONG. In many respects that is true.

There is a further problem involved. Every time we receive an acreage cutback in the cane-producing regions, far from not planting additional seeds, we must plow up the plantings which are already in the ground.

Mr. ALLOTT. I thank the Senator very much for his explanation.

The basic, most urgent element in this proposed legislation is the restoration to American sugar producers of the right to grow as our Nation grows. Specifically, this bill provides that the domestic areas will be given, effective this year, 55 percent of all increases in the United States sugar market over a base consumption of 8,350,000 short tons.

Even when our beet and cane producers will have obtained passage of the pending bill, they will still have been more generous with our friends and allies than any other segment of the economy to which we could point.

The remaining 45 percent of consumption increases beyond the 8,350,000-ton base will be shared by foreign countries exclusive of the Republic of the Philippines, whose quota is established in the Philippine Independence Act.

Therefore the bill gives us the opportunity to restore to our American producers a basic right, namely, the right to grow with the Nation, and not to be confined within a straitjacket, such as the one in which sugar producers have been confined during the past few years, since 1948. Instead, the bill would give them an opportunity to grow with the Nation and to take part in the expansion and in the use of our agricultural products.

It is a most modest proposal. Assuming that the increase in the Nation's sugar requirements continues at approximately the current rate, considerable time would be necessary to enable our farmers even to recover the acreage lost by enforced cutbacks.

Passage of the bill would seem to be the least gesture we can make toward our American sugar producers. It is in fact—and we all recognize it—a compromise, arrived at so that there will be no further delay in handling what has long since become an urgently distressing situation.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to the Senator from Louisiana.

Mr. ELLENDER. I should like to point out to my good friend from Colorado, that even in this year's crop, if the prognostication made by the Secretary of Agriculture is realized, Cuba will benefit under the formula. During 1955 Cuba was allotted 2,859,840 tons. It is estimated that the consumption will be in excess of 8,500,000 tons. If that estimate proves to be correct, Cuba will receive in the neighborhood of from 40,000 to 50,000 tons more than she received last year, even under the proposed formula.

Mr. ALLOTT. I thank the distinguished Senator from his statement. It is comforting to know that, even though the American farmer will perhaps get back a little of what he has lost, our neighbors will also be able to profit by it.

Mr. President, justice and our national well being demand not only that our action on the bill be favorable, but that it be immediate, and without any of the crippling amendments which have been suggested.

Dr. Elwood Mead, former Commissioner of Reclamation, has stated that sugar beets are the one crop which contributes more than anything else to a rounded-out and complete agricultural program, makes the largest and best use of the surrounding grazing land and the largest and best use of the alfalfa which is grown, and gives in an unusual measure continuous employment for the family on the farms and a more stable income than anything else.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an editorial published in the Fort Morgan (Colo.) Times entitled "Amend the Sugar Act."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMEND THE SUGAR ACT

One of the early matters to be taken up by the United States Senate this year is an amendment to the Sugar Act—an amendment which is of vital importance to the agricultural and industrial health of this area.

The House of Representatives passed an amendment to the act (H. R. 7030) last July, but time ran out in the Senate and the rush for adjournment prevented action by that body. Now the matter is coming up again and it is hoped that the Sugar Act may be adjusted early in the session so that the benefits proposed may be shared by the domestic producers of sugar.

It would be impossible to underestimate the importance of the domestic sugar industry to our economy. The production of sugar in the United States alone has an impact on the lives of families in 23 States, and the economic benefits are felt in all 48 States. Last year, for example, more than \$1 billion flowed from the sugar industry into the national economic bloodstream.

Sugar beets represent the principal cash crop on farms in 21 States and are processed in more than 85 factories stretching from Michigan to California. Coming closer to home the sugar beet has been described as the "economic backbone of western irrigated agriculture—the crop that brought modern farming to the west."

Legislation should provide that as consumption increases beet growers should share

in the increase in quotas to meet the increased demand of consumers.

Mr. ALLOTT. Mr. President, I should like to read a short editorial published in the Ordway (Colo.) Era of December 22, 1955. It reads as follows:

SUGAR FACTORY TO RUN NEXT FALL

There is big news for Crowley County this week. Good news. The National Sugar Co.'s factory at Sugar City will operate this coming fall. * * * The sugar factory operating next fall will not only be a great thing for Crowley County, but will be one of the very few instances where a sugar mill has ever opened again after once shutting down. Coming at this time, Mr. (Reginald S.) Carey's statement that the plant will operate will put real meaning in the old wish for a happy and prosperous new year.

Mr. President, I also ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an editorial from the Ault (Colo.) Progress.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MONOSODIUM GLUTAMATE BOON TO BEET INDUSTRY

The sugar-beet industry's contribution to one of the most exciting new products in the food world has been told in the October issue of the Reader's Digest. Over 30 million people in the United States and Canada will read Frank J. Taylor's article To Make Your Food Tastier, the story of the amazing properties of pure monosodium glutamate as a basic flavor enhancer.

The rising demand for monosodium glutamate may eventually require new refineries with the capacity to salvage all the glutamates from all the molasses waste of all the sugar-beet mills in the United States and Canada, it is predicted in the article.

The article describes the acceptance of the product throughout the entire food industry, telling how it helps food processors to build flavor and brand preference in packaged foods, why chefs use so much of it to make restaurant eating more enjoyable, and what it does to make homecooked foods more exciting.

The sugar-beet industry, with its specially treated molasses residue, Steffens liquor, provides one of the very satisfactory raw materials from which to extract the glutamate. The widespread demand for the flavor heightener has not only eliminated a costly disposal problem for sugar-beet mills, but it has also provided a byproduct worthy of special consideration by the sugar-beet industry.

Mr. ALLOTT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article published in the Denver Post of January 3, 1956. It was written by Mr. Bruce Gustin.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Revision of the sugar quota system to give American producers a larger share of the American market should be a must at the 1956 session of Congress. The United States and its territories produce only a little more than half of the sugar we consume. American producers are not even allowed to sell all they produce. Although sugar beets and sugarcane are the only important nonsurplus crops raised by American farmers, the acreage devoted to these crops has been cut and cut. Why? So Cuba can hog a larger share of the American market.

As a result of the population growth, it is estimated that sugar consumption in the

United States is increasing at the rate of about 135,000 tons annually. Of that increase, Cuba gets 96 percent and the balance goes to other foreign producers. Domestic producers are held to rigid quotas—1,800,000 tons a year for beet and 500,000 tons a year for cane sugar. What they produce in excess of those quotas they can't sell.

Such discrimination against American producers and American sugar processors is indefensible and should not be tolerated. Reducing the average planted to sugar beets and cane adds to other crop surpluses, aggravating the farm problem which results from overproduction. * * *

As spokesman for all the American producers, president Frank A. Kemp of the Great Western Sugar Co., executive committee chairman of the American Sugar Beet Industry Policy Committee, told the House committee that "the domestic people believe they have a right as American citizens to share in the growth of their country and in its increased sugar demand." There is no reasonable room for argument about that.

Mr. ALLOTT. Mr. President, I have in my hand a series of statements on the subject which have been made at one time or another by various distinguished Colorado agriculturalists. When I say agriculturalists, I mean farmers. That is just the fancy name for them. They are farmers, people who have grown sugar beets. I ask unanimous consent to have these comments printed in the RECORD as a part of my remarks.

There being no objection, the comments were offered to be printed in the RECORD, as follows:

QUOTES FROM GROWERS

Earl G. Smith, Greeley, Colo., of the Mountain States Beet Growers' Association: "American farmers are entitled to sell their sugar to at least a fair share of the American market. No business can survive standing still. We don't want legislation which would cause grief for other countries. But the fact remains that through northern Colorado beets have been our main crop. It is the crop on which farm credit is extended. It is the backbone of our livestock feeding industry, giving us a cheap gain on the cattle we ship elsewhere. I don't believe anyone can rightly take away the American market from the American farmer."

Frank Beede, Loma, Colo., of the Western Colorado Beet Growers' Association: "Mesa County has been cut 22 percent to slightly less than 5,000 acres. At least 7,000 acres are necessary to assure profitable operation of the one sugar factory we have in western Colorado. We have a right to this market."

W. I. Sanford, Pueblo, Colo., of the Southern Colorado Beet Growers' Association: "We have three sugar factories in the Arkansas Valley. The largest of these factories alone could process all the beets grown in a normal year on the 19,000 acres we were permitted to plant last year. The only cure for our troubles is to give the United States farmer a right to the United States market to the extent that he is able to supply that market."

Ishmael Yost, Billings, Mont., of the National Beet Growers' Federation: "While this bill does not meet the full needs of the industry, it does go a long way toward alleviating the difficult situation we now face and gives the industry something to look forward to in possible future growth. We have been highly gratified by the tremendous initial support given this bill. I think this support is ample evidence that our requests have been modest and reasonable in the extreme. We have every confidence that all Members of Congress who really have the interests of American agriculture at heart will do what is necessary to push this legislation through to enactment."

"The value of sugar produced in our market area is estimated at \$90 million per year, with the peak payments made to farmers equaling \$65,717,651. Company payrolls of the processors amount to \$18,702,437 and direct company purchases in the market area amount to \$10,221,038. Above and beyond these figures, it should be remembered that sugar-beet byproducts, principally tops, pulp, and molasses, have a multi-million-dollar annual volume and are the mainstay of our western livestock feeding industry. In many factory communities the sugar-beet industry alone is responsible for as much as 35 percent of all railroad freight. Its annual freight payments are estimated to exceed \$12 million. The industry fosters and is largely responsible for the sale of several million dollars' worth of mineral and chemical fertilizers each year. Very important is the fact that the industry uses a pound of coal for each pound of sugar produced and, therefore, is one of the two largest purchasers of coal from Rocky Mountain mines. Last, the influence of this industry on the purchase of such items as farm machinery, petroleum products, etc., and the economic stability for which the industry is responsible in agricultural regions is a valuable factor." (From a report to the board of directors of the Denver Chamber of Commerce, prepared by the agriculture and livestock committee, April 14, 1955.)

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. CARLSON. The distinguished Senator from Colorado has made a very excellent statement with regard to the beet production of our nation. Colorado, a sister State of Kansas, is of course a great beet-producing State. We in Kansas grow some beets, and we have one sugar factory. We are very happy that the pending legislation has been proposed. I sincerely hope that it will be passed without difficulty.

I again commend the Senator from Colorado for the statement he has made and for the able manner in which he represents his great State.

Mr. ALLOTT. I thank the distinguished Senator from Kansas for his kind remarks. It is hard to tell where the land in my State ends and the land of Kansas begins. We are one community of thought and action.

Mr. President, I urge my colleagues not to consider any of the crippling amendments which may be offered to the bill; not to fetter the American farmer, and not to allow the sugar beet grower and the sugar cane grower longer to be bound, but to pass the bill and to pass it immediately, and in that way give the growers an opportunity to share in the growth and wealth and production of the United States, just as the rest of us expect to share in its growth and development.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1352. An act for the relief of A. J. Crozat, Jr.; and

S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6790) for the relief of Anna K. McQuilkin.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1261. An act to authorize the conveyance of certain lands within Caven Point Terminal and Ammunition Loading Pier, New Jersey, to the New Jersey Turnpike Authority;

S. 1683. An act to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes;

S. 1959. An act to direct the Secretary of the Army or his designee to convey a 6.89-acre tract of land out of a 199,959-acre tract of land situated in the vicinity of Houston, Harris County, Tex., to the State of Texas;

S. 2624. An act to amend an act entitled "An act to provide for the sale of the Port of Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended; and

S. 2990. An act to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 7, 1956, he presented to the President of the United States the following enrolled bills:

S. 1261. An act to authorize the conveyance of certain lands within Caven Point Terminal and Ammunition Loading Pier, New Jersey, to the New Jersey Turnpike Authority;

S. 1683. An act to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes;

S. 1959. An act to direct the Secretary of the Army of his designee to convey a 6.89-acre tract of land out of a 199,959-acre tract of land situated in the vicinity of Houston, Harris County, Tex., to the State of Texas;

S. 2624. An act to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended; and

S. 2990. An act to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. HRUSKA. Mr. President, I wish to commend the Senator from Colorado [Mr. ALLOTT] for his contribution to the discussion of the issue before the Senate. He has ably outlined the situation and has very well illustrated and documented it.

Earlier this afternoon the Senator from Wyoming [Mr. BARRETT] commended the Committee on Finance for bringing the bill to the Senate. I should like to join him in his commendation. We know that we are not satisfied with the bill, but the Senator from Wyoming was right when he said that we are much more happy with the bill than we are with the status quo. At the same time, I should like to commend the Senator from Wyoming, not only for his remarks this afternoon, but likewise for his extended remarks during the closing days of the session last year, when he reviewed the entire history of sugar legislation and

the sugar industry and legislative action by the Senate.

Mr. President, this Nation is now enjoying a genuine, wholesome prosperity unheralded in the history of the world. It is a peacetime economy as nearly as we can achieve one in a world of international tension.

As we have gradually adjusted our economy to peacetime service of the strength and welfare of our people, one vital segment of our farm economy has remained completely under the rigidity of wartime controls. I refer to our domestic sugar producers. It is time, Mr. President, that avowedly temporary shackles on our domestic sugar industry be relaxed so that traditional principles of regulation of this industry may be restored.

This bill is of interest to every Nebraskan. My State is the fifth ranking sugar beet producer. Within its borders are located several of the Nation's major beet producing areas. The largest are in the North Platte Valley in the Gering-Scottsbluff region and in central Nebraska in the vicinity of Grand Island. The importance of this crop to Nebraska was recognized by the 67th session of the Legislature of Nebraska in 1955 when it approved legislative Resolution 11. The resolution urged Congress to amend the Sugar Act of 1948 to give the domestic sugar industry "a fair and equitable share in our Nation's growth."

In part, Resolution 11 declared:

The beet sugar industry is prepared to meet the challenge of an expanding market, because it has achieved major gains in productivity per acre and new acreages for the production of sugar beets continue to be developed in the State of Nebraska. * * * the welfare of our State and our Nation requires the existence of a strong and vigorous domestic sugar industry, especially during periods of war and national emergency.

According to official figures of the United States Department of Agriculture, Nebraska farmers planted 66,710 acres of sugar beets in 1954. Under provision of the Sugar Act, because of overproduction, 7,220 acres were required to be abandoned, so that 59,490 acres of beets finally were harvested. These acres produced 783,854 tons of beets.

The Department estimates for 1955 show that the State was allocated 58,720 acres of beets with an indicated production of 688,000 tons of beets as compared with 1953 production of 789,000 tons.

Nationally, the pattern is one of continuing cuts in acreage allotments but increases in actual production. In 1954, for instance, farmers were ordered to plant 10 percent less acres to beets, but their production ran 14 percent higher.

Like any farmers, our sugar-beet producers have interested themselves in increasing and improving their efficiency. Their farming techniques have improved as they have diligently applied the results of laboratory research to their operation. The result has been higher yields per acre, an investment by these sugar producers in the future expansion in size and vitality of our country.

Mr. BARRETT. Mr. President, will the Senator from Nebraska yield at that point?

Mr. HRUSKA. I shall be delighted to yield.

Mr. BARRETT. I wish to commend the Senator for the very splendid statement he is making. I ask the Senator if it is not a fact that the average production per acre for the 11 years previous to World War II was approximately 11 tons, whereas, at the present time, it is a little more than 15 tons per acre?

Mr. HRUSKA. Those figures are substantially correct, as they have been given to me.

Mr. BARRETT. I think that indicates very clearly that the sugar producers of this country, as well as all the other farmers, have been very efficient in their operations, and have endeavored to produce the food and fiber which we need for our domestic use.

Mr. HRUSKA. And, by the same token, it means that under the status quo the increased efficiency is being penalized, and that situation will be remedied in large measure by the passage of the pending bill.

It is high time, Mr. President, to award these farmers a realization of the results of their scientific improvement programs.

Although Nebraska is a major beet-producing State, this crop produces less than 1 percent of the total agricultural income of that great farm State. Nevertheless, sugar beets are one of the State's most vital crops. They are excellent for rotation purposes. When rotated with hay, grass, or grain, they make a valuable contribution to enriching the soil. In addition, they help a farmer to make the best use possible of grazing and alfalfa land on his farm. Beet byproducts have an excellent feeding value and have built an extensive livestock feeding industry in our western sugar States. With their accompanying processing industry, they also bring a solidly integrated economy of decentralized industry and healthy agriculture.

As a food, sugar is our cheapest source of energy, and its nonfood uses in industry are many and varied. A thriving domestic sugar industry also is an excellent investment in crucial times.

Thus, it is clear that a thriving beet sugar industry is a valuable asset to this country. It should be released from the absolute control of fixed production and marketing.

This is a right of the beet industry, Mr. President, as established by historic precedent. The first Sugar Act, passed in 1934, began this precedent. It was extended until the disruption of World War II and the Korean war when our traditional pattern of domestic sugar production and import of foreign sugar was dislocated.

It was the intent of the Sugar Act of 1948 to take temporary steps to prevent damage to the economy of Cuba by permitting Cuba to retain her traditional share of American consumption plus the annual consumption increase of sugar in the United States. Fixed ceilings were imposed on domestic producers for this purpose and increased demand was met almost entirely by Cuban growers.

Since approval of the Sugar Act of 1948, American sugar consumption has increased by 1 million tons and continues

to expand at about 100,000 tons a year. But by the terms of that 1948 law, Cuba has supplied 96 percent of that increased demand. American producers have been at a standstill. They have not enjoyed any benefit from increased use of sugar. Their acreage has actually been cut instead.

The denial of domestic producers to share in increased demand was meant to be a temporary measure. In its report on the 1948 Sugar Act, the House Agriculture Committee said:

It should be pointed out that this bill is a short-term measure designed to meet post-war adjustment problems in the production and distribution of sugar.

This temporary measure became, however, longer-termed than intended as the Korean war renewed disruption of traditional sugar-producing and marketing patterns and it was extended in 1951.

The act will expire December 31, 1956. It is long overdue that we restore to our domestic sugar industry its share of the growth and prosperity of our Nation. Domestic sugar producers will again be restored their historic share of the increased consumption market, being allocated 55 percent of United States consumption above base consumption of 8,350,000 tons, and this is as it should be.

Mr. President, it is a tribute to the fairness of this bill that it has received broad support from Members of both Houses, from the administration, and from the industry itself. This could be characterized by the fact that although the domestic sugar industry is a highly competitive one, it agreed on this proposal so solidly that but a single witness represented the entire industry in the hearings before the Senate Finance Committee. Speedy action has been urged by the President, and this bill has been endorsed by all administrative agencies concerned. It should be passed promptly.

As part of my remarks, I ask unanimous consent to insert at this point in the RECORD editorials from two fine Nebraska newspapers.

The first is from the January 25, 1956, edition of the Scottsbluff Star-Herald, and was written by Editor Floyd C. Wisner. The second, A Matter of Justice, appeared in a recent edition of the Omaha World-Herald.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Scottsbluff Star-Herald of January 25, 1955]

SUGAR BILL OUTLOOK GOOD

First indications give promise to prompt passage of new sugar legislation by the Congress during the current session.

The Senate Finance Committee has lost no time in reporting the legislation to the floor and, in the process, has not altered the basic premise that domestic producers should be allotted the major portion, 55 percent, of future market increases.

The hopes expressed by Senator HRUSKA and others for fast consideration points to the fact that the groundwork has been carefully laid.

The bill originally came up for hearing last summer but was shunted aside, temporarily, in the rush for adjournment in August. Main points in the mainland producers' position have been widely disseminated, in the

meantime, and it appears that legislators are fully conversant with the facts.

Cuban sugar interests actually do not suffer at the hands of the bill-drafters. Cuba's present quota position is completely protected, but future increases in the United States market are assigned to domestic growers and refiners in a ratio of 55-45.

For nearly 8 years, domestic sugar interests have been excluded from a share in market growth and, on the contrary, have been strictly limited to an outdated formula. The bill merely recognizes the forgotten fact domestic industry should share equitably in domestic markets.

[From the Omaha World-Herald]

A MATTER OF JUSTICE

Many Nebraska farmers who have irrigation produce sugar beets. But they and other domestic sugar producers supply only a small part of the American market. Most of the market is supplied by imports, principally from Cuba, Puerto Rico, Hawaii, and the Philippines. It is a closely regulated business. The market is divided up by law and domestic production by beet growers is controlled by marketing quotas.

Population growth, naturally, increases sugar consumption. But since 1948 virtually all of the increase in usage on the mainland—more than 1 million tons—has been allocated to Cuban producers.

Sugar-beet farmers on the continent think they should be allowed a proportionate share of future increases in consumption. So long as such matters are decided by Government fiat, we think they are right.

Mr. HRUSKA. Mr. President, it is my hope and the hope of the people of my State that there will be speedy action on the bill, not only here, but in the conference, and likewise on the conference report which will follow.

Mr. President, I yield the floor.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. LEHMAN. I have submitted two amendments which I wish to call up in the course of the debate on the bill. I have been advised that an amendment is before the Senate at this time. Will the Chair advise me what is the pending question?

The PRESIDING OFFICER. The amendment now before the Senate is the amendment offered by the Senator from Indiana [Mr. CAPEHART]:

Mr. LEHMAN. I thank the Chair.

Mr. ELLENDER. Mr. President, I do not know that I can add very much to what has already been said about the pending bill. However, I should like to state briefly the reason why sugar legislation differs from legislation with respect to other agricultural crops presently accorded price protection.

For many years the United States has attempted to maintain a sugar industry of its own; today continental production amounts to about 28 or 29 percent of our requirements. The rest of our needs is supplied by Puerto Rico, the Virgin Islands, Hawaii, and also from such foreign countries as Cuba, the Philippine Islands, Mexico, Peru and others. Mr. President, sugar legislation dates back to the early days of this Republic. For many years our domestic sugar industry was protected by a relatively high tariff. Tariff protection did not work well. Our consumers were subjected to

widely fluctuating prices; foreign producers made huge profits in some years and sustained tremendous losses in others. For example, Cuba grew much more sugar after 1914 because the Cuban producers were selling on inflated markets. Their sugar brought what may be termed exorbitant prices during World War I. Cuban production kept increasing for several years thereafter, but good prices did not. Faced with low prices and high tariffs, by the 1920's and especially the early 1930's, the sugar producers in Cuba found themselves in dire straits. As a matter of fact, under the existing United States tariff law they were hardly able to make a go of it.

I should say that the same situation prevailed among our own sugar producers in the early 1930's. Our domestic producers were able to sell only on a glutted, depressed market.

In the early 1930's a new approach was tried with respect to the protection of sugar growers in the United States, growers in the islands under our jurisdiction, and also in order to protect Cuba, because Cuba has always been a large purchaser of commodities from the United States. It was advantageous to the manufacturers of this Nation that the production of sugar in Cuba be kept on a healthy basis.

It will be recalled that in 1934 the Jones-Costigan law was enacted. This law, for the first time, instituted a program of quotas as a substitute for higher protective tariffs. I shall read for the RECORD at this time a statement which appears in a document entitled "The United States Sugar Program," issued by the Department of Agriculture under date of 1953. I think it is pertinent to what I am now discussing:

During the early months of 1933 the United States Tariff Commission made a careful appraisal of the prevailing sugar situation and recommended a program emphasizing supply controls rather than the traditional tariff method of assistance. In a letter to the President of the United States, dated April 11, 1933, the Chairman of the Commission outlined the failure of the tariff to solve the sugar problem. His letter pointed out that the price had declined to disaster levels for both American and Cuban producers; that both the domestic industry and that of Cuba required price relief; that prices should be raised by limiting, through a quota system, the supply of sugar offered for sale in this country; and that if some type of quota system were instituted by this country, the duty on Cuban sugar might be reduced to help restore the purchasing power of Cuba.

Pursuant to the study by the Tariff Commission in 1934, Congress passed the so-called Jones-Costigan Act, which established quotas for domestic sugar producers, the offshore islands under the American flag such as Hawaii, Puerto Rico, and the Virgin Islands, and also established a quota for Cuba. The RECORD will show, I am certain, that conditions both in Cuba and here at home improved greatly over those which existed prior to 1934. In the meantime, sugar production in Cuba had gradually increased from a low point in 1932 of 2,234,000 tons to about 3,800,000 tons just about the time the Second World War began.

A question was asked a while ago by my good friend the Senator from Arkansas [Mr. FULBRIGHT], who is not now present, as to why sugar prices in the United States during World War II were not as high as prices in World War I. The answer is very simple. To begin with, during World War II the prices of commodities were controlled, as I am certain all of us will remember. Also the United States had an understanding with Cuba, under which Cuba furnished at reasonable prices the United States with large amounts of sugar, which, in many cases, might have been sold by Cuba on world markets at a much higher profit.

When the Sugar Act was renewed in 1948, it was felt we owed at least a moral obligation to Cuba not to drastically reduce her share of our market. Cuba had helped us obtain sugar during the dark days of World War II; she sold us her sugar at what was considered a fair price, at a price much lower than the then prevailing world price. Thus, when the act was renewed in 1948, as has been stated in the Senate on numerous occasions, Cuba received preferential treatment. Fixed quotas were imposed upon producers in the continental United States, Puerto Rico, the Virgin Islands, and Hawaii, as well as Cuba. There was this difference, however: In order to assist Cuba to restore her production to a normal basis, it was understood that Cuba would supply the United States with 95 percent of the unfilled deficits in the quota assigned to the Philippine Islands, and also 96 percent of any increase in American sugar consumption. The remaining 4 percent was allocated among so-called full-duty countries.

As the years passed, both American consumption and American farming efficiency increased. As was pointed out by quite a few of my colleagues, the sugarcane producers of Louisiana and Florida found themselves chained to fixed quotas, with no means available to them to increase their production. They found their acreage drastically cut, even while United States sugar consumption skyrocketed and even as Cuba sold ever-increasing amounts of sugar to this country. I do not believe that in 1948 any of us thought that our consumption of sugar would increase at the rate finally reached. Nobody could in 1948 have predicted that the consumption of sugar in the United States would increase as it has. But, as the record shows, Cuba increased her sales to the United States by over 1 million tons.

The pending bill merely affords an opportunity to the producers of the United States—and this includes, of course, our island possessions—to supply a fair share in this increased American sugar consumption. That is all the bill does.

Mr. President, this bill does not penalize Cuba. Unfortunately, the Cubans do not seem to understand this. I have been described in Cuban newspapers as "that nation's public enemy No. 1. I think my "title" is without justification. The Lord knows I want to do justice to Cuba, but at the same time, I believe

we owe an overriding duty to our own people—our domestic producers. They deserve, and this bill would give them, the right to supply a fair share of our increased sugar consumption, particularly since our failure to do so in the past has cost them heavily.

As the record will show, since 1948 the acreage planted to sugar in Louisiana alone has been curtailed over 30 percent. In spite of this substantial reduction on acreage which is now allocated, the people of Louisiana are producing more sugar than was produced in 1948. That, of course, is due to mechanization, better seed cane, and better cultivation; in other words, Mr. President, because our producers are becoming more efficient, they are, in effect, being penalized for that efficiency.

It is my contention that our producers should not remain "tied to a post," as it were, without any chance of increasing their sugar production as our consumption increases.

Mr. President, as I tried to point out a while ago, in my colloquy with the Senator from Colorado this bill will not reduce the Cuban quota. On the contrary, if the bill is passed as reported, the Cuban quota would increase this year. The Department of Agriculture has recently estimated that the consumption of sugar in 1956 will be in excess of 8,500,000 tons. If that, estimated total is reached, it will mean the Cuban producers will be permitted to market roughly 30,000 tons over and above what they marketed last year.

In other words, if the consumption which the Department says will take place in the United States this year should be reached, the Cuban growers would obtain a quota of 2,888,880 tons for 1956, compared with a basic quota last year of 2,859,840 tons.

If we look at page 3 of the report on the bill, it will be seen that the Department has estimated that the total increase in domestic sugar consumption for 1956, 1957, 1958, 1959, 1960, 1961, and 1962 will approximate 135,000 tons a year. It will be noted also that the Cuban quota will grow during these years in the same manner as that of domestic producers.

Cuba's share of all increased consumption in 1956 will be 43.2 percent, and from 1957 onward it will be 33.8 percent.

The mainland producers of both sugar beets and sugarcane, and those of Hawaii, Puerto Rico, and the Virgin Islands, would likewise be granted quota increases under the formula commencing in 1956. They would receive 55 percent of our increased consumption with this amount distributed among the domestic producing areas, in proportion to their yearly allocations.

Mr. President, I do not know of a fairer way to reach our objective than that which has been suggested by the committee. Last year, the Senator will recall, that as an emergency measure, the Senate passed a special resolution directing that 100,000 tons of domestic sugar be purchased to relieve the situation caused by over-large stocks. This sugar was to be used in our foreign-aid

program. At that time, there was a more or less tacit understanding that if the Department of Agriculture exercised the right to purchase the 100,000 tons of sugar, the allocation of the 45 percent of the consumption increase among foreign countries would remain in status quo—that is, the formula as written into the committee bill as reported in the closing days of the last session of Congress would be adhered to.

As I pointed out when the Senator from Virginia [Mr. BYRD] had the floor, the Senator from Utah [Mr. BENNETT] this year offered what he termed a "clean bill." When the Committee on Finance decided to consider sugar legislation this year, the Senator from Utah proposed, by way of amendment, a bill which would have allocated to Cuba 60 percent of the 45 percent of increased consumption allocated to foreign areas. The remaining 40 percent of the 45 percent would have been distributed among other countries producing sugar, in line with the formula which was written into the bill last year.

That formula did not specify percentage-wise what each country would receive but it did set out a method for prorating among the full-duty countries the amount involved. While the bill was being considered by the Finance Committee, my good friend, the Senator from Florida [Mr. SMATHERS], suggested an amendment which in some respects changed the formula suggested by the so-called Bennett amendment. According to the proposal made by the State Department, and submitted by my good friend, the Senator from Utah [Mr. BENNETT], 60 percent of the 45 percent consumption growth—an amount equal to 27 percent of the whole—was to be allocated to Cuba. Instead of giving to Cuba this 27 percent, the amendment suggested by the Senator from Florida increased the Cuban share of the increased consumption to 33.8 percent. The effect of this amendment was to give to Cuba 75 percent of the 45 percent, instead of 60 percent of the 45 percent. Am I correct in that statement?

Mr. SMATHERS. Yes.

Mr. ELLENDER. Then, instead of distributing the rest of the 45 percent among the full-duty countries in accord with the language proposed in the Bennett amendment, the Smathers amendment curtailed to some extent the amount received by Peru; it curtailed to some extent the amount received by the Dominican Republic; and it increased to quite an extent the amount received by Mexico.

Mr. President, it is my suggestion that we either go back to the original amounts suggested by the State Department, and included in the Bennett amendment, or else we let the bill remain as it is.

If the formula for allocating the 45 percent, as contained in the so-called Bennett amendment, is not offered as an amendment to the pending bill, then I shall consider myself free to vote as I see fit.

Mr. SMATHERS. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Sena-

tor from Louisiana yield to the Senator from Florida?

Mr. ELLENDER. I yield.

Mr. SMATHERS. The able Senator from Louisiana said he either would vote for the original proposal, as embodied in the so-called Bennett amendment—

Mr. ELLENDER. That is what I have stated.

Mr. SMATHERS. Or that he would support the bill as it was reported by the Finance Committee.

Mr. ELLENDER. If an effort is made to restore the figures which were provided in the Bennett amendment, I shall feel compelled to vote for that. But, if any change is sought to be made from that formula—

Mr. SMATHERS. Then the Senator from Louisiana will support the bill as reported by the Finance Committee; is that correct?

Mr. ELLENDER. Yes; I shall support the bill as reported by the Finance Committee; that is correct.

Mr. SMATHERS. I thank the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield the floor.

HOW THE SUGAR ACT OF 1948 WORKS

Mr. FULBRIGHT. Mr. President, the Sugar Act, through a complex, crazy quilt maze of regulations, governs the sugar economy of the United States, for the benefit of a relatively few thousand producers, and to the detriment of the Nation's 165 million people. The principal features of this Government-sponsored cartel include:

First. Power is given to the Secretary of Agriculture to determine the quantity of sugar that may be marketed in the United States in any calendar year. His decision, largely arbitrary and often, as now, political, is final. Under this unique law, the Secretary of Agriculture is directed to determine the requirements of consumers in the continental United States. The power to make this determination, in effect, gives the Secretary of Agriculture the power to regulate sugar prices in the United States. If the Secretary sets the figure for sugar consumption requirements at a low level, as he has in most years, and as he has for 1956, the result is comparatively high sugar prices for United States consumers.

Second. The Sugar Act establishes quotas for each producing area supplying the United States with sugar. The total of these quotas for all producing areas must always equal the annual consumption requirements as determined by the Secretary. The act sets fixed tonnage quotas for the domestic areas—mainland beets and cane, Hawaii, Puerto Rico, and Virgin Islands—amounting to 4,444,000 tons, and a fixed quota of 980,000 tons for the Philippines, with most of the residual demand for sugar in this country being supplied by Cuba, whose share is now 2,808,960 tons.

Third. The Sugar Act does particularly well by the mainland refiners, in that the law limits all offshore sugar supplies, except for a small proportion, to raw sugar. This limitation against the sending of refined sugar into the United States covers not only such major foreign suppliers such as Cuba and the

Philippines, but also Hawaii, Puerto Rico, and Virgin Islands, which—it should not be overlooked—are still a part of the United States.

Fourth. Among other things, the Secretary of Agriculture is empowered to restrict domestic area output, to keep it in line with the marketing quotas. But the fact is that the Secretary has rarely used this power, or has used it but sparingly, so that a few months ago, as a sheer political gesture, the administration ordered the purchase of 100,000 tons of so-called surplus sugar grown in the mainland areas.

Fifth. Another feature of this curious law gives the domestic producers subsidies in the form of direct money payments from the Federal Treasury. Growers receive payments at the basic rate of \$0.80 per 100 pounds of sugar recoverable from the beets or cane. These payments average \$40 per acre of beets annually, according to the Department of Agriculture.

Sixth. An excise tax of 50 cents per 100 pounds is assessed on all sugar marketed in the continental United States. This tax is collected on imported sugar as well as on domestically produced sugar, but only growers in domestic areas get their tax back—and much more—in the form of subsidy payments.

THE SUGAR ACT—UNIQUE FARM LEGISLATION

Sugar is sweet—and there is nothing sweeter than the Sugar Act in its protection of a 1-percent minority—some 60,000 out of the Nation's 6 million farmers. The Sugar Act, in fact, is triply sweet. True, there are some agricultural products that have the protection of marketing quotas. True, there are some agricultural products that have support in the form of subsidies. True, there are products, from farm and factory alike, which are buttressed by a tariff wall against foreign imports. But only the domestic sugar producers get all three forms of protection. Is not that a sweet, sweet, sweet piece of legislation?

Prof. Don D. Humphrey, of Duke University, in a recent study sponsored by the Twentieth Century Fund and the National Planning Association, published in August 1955, leaves off the sugar-coating and states bluntly that "sugar is the most highly protected industry in America."

As might be expected, the quota system has been rigged so as to favor producers in domestic areas. When the system was first established in 1934, quotas for domestic areas were set at the maximum level of production ever reached in each area. On the other hand, the quota for Cuba was set at just about the lowest point in modern history.

During 1920-29—before the high rate of duty in the Hawley-Smoot tariff cut imports of sugar from Cuba about one-half—domestic areas marketed an average of only 2,395,000 tons per year. The 1934 quota for the domestic areas of 3,578,080 tons represented an increase of 49 percent over their performance prior to the Hawley-Smoot Act.

In contrast, Cuba, which had supplied the United States with an average of 3,637,000 tons of sugar a year during 1920-29, received a quota in 1934 of

only 1,866,482 tons—a reduction of 49 percent.

Thus, the original Sugar Act of 1934 started with an injustice. Since then, it must be admitted, the act has been consistent—consistent in favoring and coddling the uneconomic, inefficient, largely unnecessary domestic producers at the expense of Cuba, our natural supplier, and to the general detriment of the American public.

The Sugar Act is not only unique; it is a paradox. One of the principal reasons for establishing the act in the first place, as expressed by President Franklin Delano Roosevelt, was "to provide against further expansion of this necessarily expensive industry." Yet, under this extraordinary act, this necessarily expensive industry—unnecessarily expensive to the consuming public—has expanded steadily.

I do not mean, of course, that the domestic production increased every year since 1934. During the World War II years, when we needed sugar most, domestic production fell off substantially. But since then, the domestic producers pushed ahead with production, despite the so-called limitations on production, so that today the quota for the domestic producers is nearly 25 percent more than it was when this strange system was first imposed upon the American people in 1934, 86 percent more than the domestic production of 1920–29.

In contrast, the present quota for sugar from Cuba of 2,808,960 tons is 23 percent below the average annual United States imports of sugar from Cuba during 1920–29.

This discrimination against Cuban sugar inevitably has the effect of curtailing United States exports to Cuba. Sugar constitutes about three-fourths of Cuba's total exports to the United States. Obviously, Cubans can pay for their purchases of United States goods only with the money they obtain from the sale of their sugar here.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. What is the Senator's objective with regard to Cuba? In selling sugar to us Cuba gets a substantially better price than the so-called world market price, upon which the Senator seems to rely in support of his argument. Would the Senator like to reduce the price which the Cubans get, as well as the price which Americans get for their sugar?

Mr. FULBRIGHT. The price and the amount sold are only one aspect of the problem.

I should like to invite the Senator's attention to page 87 of the hearings. On that page appears a table showing United States exports of agricultural products to countries from which sugar imports exceeded 1,000 tons in 1953 and 1954. In 1952 we sent to Cuba agricultural exports amounting to \$153,980,000; in 1953, \$143,251,000; and in 1954, \$133,215,000. That is an illustration. Later I shall place the entire list in the RECORD.

The point is that in this act we are nourishing and causing to expand an uneconomic industry, by an outrageous

system of subsidies, to the detriment of all other legitimate industries, as well as agriculture.

Mr. LONG. We are also nourishing Cubans, are we not?

Mr. FULBRIGHT. Just a moment. In 1952 our agricultural exports to Cuba were \$153,980,000. They are now down to \$133,215,000.

Mr. LONG. The Senator seems to object to nourishing Americans. I wonder if he objects to nourishing Cubans.

Mr. FULBRIGHT. Is the Senator trying to leave the impression that the Cubans are for this restrictive act? Does the Senator mean to imply that the Cubans would rather not have the act repealed? The Senator knows better than that. The Cubans are not in favor of this act.

Mr. LONG. For the sugar they sell us, they receive a better price than the so-called world price. I should like to know what the Senator is recommending.

Mr. FULBRIGHT. I am recommending the defeat of the bill. I hope the Senator is not under any misapprehension. I have voted against legislation of this character every time it has been before us, and I expect to vote against the pending bill. It is an outrageous piece of legislation, from many points of view.

Mr. LONG. I know the Senator is against the bill. I should like to know what he is for.

Mr. FULBRIGHT. I am for letting the Cubans and the other sugar-producing countries sell us their sugar, and letting us sell them our rice, our manufactured articles, our butter, wheat, flour, and other products. I am for carrying on a vastly expanded trade with Cuba, with the Dominican Republic, with Mexico, with Nicaragua, Peru, Haiti, Costa Rica, Panama, and El Salvador.

Mr. LONG. At the present time we are paying those countries a better price for their sugar than they would be receiving if it were not for the Sugar Act.

Mr. FULBRIGHT. The Senator knows that we are paying a better price on a very restricted amount. We let in a little dribble, and pay them a better price for it, but they would much prefer to do business in a normal, free market, in which they could sell us a great deal more sugar.

Mr. LONG. I take it the Senator would like to have them sell to us at a lower price.

Mr. FULBRIGHT. The sad part about it is that countries like Cuba, notwithstanding the supposed advantages they enjoy, have a most difficult time balancing their payments with us. They would be delighted to buy more of our agricultural products, as well as industrial products, if we would buy more sugar from them. They would be delighted to buy more apples from the Senator from Virginia [Mr. BYRD] if we would only take a little more sugar from them.

Mr. LONG. The answer I am seeking is the answer to the question whether the Senator wants to buy from them at a lesser price than they are now receiving for the sugar they are selling to us. I

want to know what the Senator is advocating.

Mr. FULBRIGHT. I think the consumers of this country would benefit from buying sugar at the world price. I know it would benefit consumers in this country. It would also benefit Cuban producers if they were permitted to sell to us more than they are now selling.

Mr. LONG. Is the Senator advocating that the Cubans sell at the world market price, rather than at the much better price they are now receiving for what they are selling to us?

Mr. FULBRIGHT. They would sell a great deal more sugar. I think the cane sugar industry is probably an economic, natural, legitimate industry in this country. So far as I know, with respect to that industry, we did not create any special irrigation districts by vast expenditures of public funds. I think the Senator's State of Louisiana would probably do very well from the standpoint of being self-supporting. I have figures to which I shall refer in a moment, with respect to sugar producers. I think the cane sugar producing industry is as legitimate an industry as the production of rice in Arkansas or wheat in Montana. But that is far different from going out into the desert and building an enormous irrigation district, bringing land under cultivation at an expense of 3 or 4 or 5 thousand dollars an acre in order to subsidize certain producers to the extent of 80 cents per 100 pounds of raw sugar. There is no excuse for it. That is what this bill would do. The sugar industry of Louisiana is a cane sugar industry. The cane is high-grade cane, just as good as Cuban cane, and, as the Senator knows, cane sugar is far better than beet sugar.

Mr. LONG. It is my understanding that the producers in the West are subject to acreage controls, just as we are in Louisiana. In fact, the producers of all major commodities are subject to acreage controls at the present time.

Mr. FULBRIGHT. The argument made on the floor in justification of the bill is that we do not produce enough sugar for our needs. Therefore it is contended that this is a short crop. Last year the Government, after paying all these subsidies, bought 100,000 tons of surplus sugar. Is that not correct?

Mr. LONG. That is correct. Of course I assume the Senator knows why that is true. It is because, entirely different from the laws that apply to other commodities, the sugar law forbids our cane sugar producers from selling what they have produced, even in this country.

Mr. FULBRIGHT. The Senator knows very well that there is no law like the sugar law. It is unique. It is the sweetest piece of legislation that has ever been passed by Congress. It carries all three known kinds of protection: Tariffs, subsidies, and restrictions on quotas. I do not know of any other commodity which enjoys such special treatment. I congratulate the Senator as a Senator for protecting the interests of Louisiana. I do not quarrel with the Senator because of that. He has every

right to do so. I, too, however, have a right to point out that the rice industry in my State has just as much right to live as has the sugar industry. The sugar law has caused restrictions to be placed on our exports in many ways. As I said, I shall put this table into the RECORD. It is taken from the hearings. It shows how our exports of agricultural products to Cuba and the other Latin American countries have been going down because we cut off their sales of sugar to us.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. I believe the Senator will find that there are more reasons than that why our agricultural exports have gone down.

Mr. FULBRIGHT. I believe this proposed legislation should go to the Committee on Agriculture and Forestry, where it can be weighed in the balance with other legislation dealing with similar commodities. It is bad policy to pick out 1 or 2 agricultural items and give them special treatment before committees other than the Committee on Agriculture and Forestry.

Mr. LONG. Is not the Senator familiar with the fact that the Cubans have undertaken to increase very greatly their production of various farm commodities, and that rice is one of the principal ones?

Mr. FULBRIGHT. They had to do so, or do without them, because when we cut off their sugar they had no way of paying for our rice. The same situation applies to other commodities. From 1952 to 1954 their exports of agricultural commodities have decreased.

Mr. LONG. I am sure the Senator does not mean to say that we have reduced the amount of sugar Cuba has been selling us.

Mr. FULBRIGHT. It is amazing how the Senator can leave that impression, when the record shows that that is not the fact. There has been a decrease.

Mr. LONG. I shall be very curious to see the figures the Senator is relying on for his argument that the sugar imports from Cuba have been decreased from 1952 to 1955.

Mr. DWORSHAK. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. On page 66 of the hearings there are several tables. The table I am looking at is entitled "Entries and Marketings of Sugar in Continental United States From All Areas, 1920 to 1955."

If the Senator will look at the bottom of the table, he will see that in 1950 we received from Cuba 3,276,000 tons. The table also shows that in 1951 we received 2,966,000 tons. In 1952, 3,011,000 tons. In 1953, 2,766,000 tons. In 1954, 2,722,000 tons. In 1955, 2,864,000 tons. In other words, from 1950 to 1955, there was a decrease of about 400,000 tons, which is a very substantial amount to a small country like Cuba. I do not know how anyone can say that we have not decreased the amount of sugar we have been taking from Cuba. Unless the Senator questions the accuracy of the table in the report, that is the fact.

In 1929 we took from Cuba 4,449,000 tons of sugar. That is what the Cubans would like to sell us. If they could, they would be free to purchase from us. Cuba, like other Latin-American countries, is delighted to purchase from us. Most Latin-American countries are glad to purchase the vast majority of their goods from our country. That includes all kinds of goods, such as agricultural and manufactured products. In other words the Sugar Act is the most outrageous interference with the freedom of trade among friendly countries in this hemisphere that I have ever seen.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I do not believe there is anything we can do in connection with our other activities so far as these countries are concerned that will help the situation. I refer to what we would like to do in connection with our good neighbor policy. Certainly all the fine words and all the fine compliments in the world will not offset this kind of bill, which simply squeezes them to death economically.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. Am I to understand that the Senator takes the position that sugar has received preferential treatment from our Government and from Congress?

Mr. FULBRIGHT. I certainly do. There is nothing I know of that has been so coddled as the sugar industry.

Mr. DWORSHAK. Then, of course, the Senator would be glad to give rice, a product of his own State, the same preferential treatment?

Mr. FULBRIGHT. I have long since come to the conclusion that it is almost impossible to do anything about sugar. In accordance with the old adage, if you can't whip them you had better join them, perhaps I will soon be ready to throw in my lot with the sugar people.

Mr. DWORSHAK. I am sure the Senator knows that under the Sugar Act the production of sugar in the continental United States is restricted to 28 percent of the sugar we consume in our country. If that is preferential treatment, I suggest that the Senator from Arkansas endeavor to have rice placed under the same restrictive program, so that only 28 percent of the rice consumed in our country could be produced in the United States. Would the Senator be willing to accept such a restrictive program on rice in his State and in this country?

Mr. FULBRIGHT. Of course the only reason there is any desire to produce beet sugar is that there are three forms of protection in effect, namely, subsidy, quota, and tariff. I recognize there is a basic difference in the two crops—cane and beet sugar—but there is no—

Mr. DWORSHAK. What is the difference?

Mr. FULBRIGHT. Beet sugar is an unnatural and uneconomic crop, which should not be grown here at all. It is the same as if we decided to build great hothouses in which to raise our coffee.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am sure we could raise our coffee in that way.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. Can the Senator tell us whether it is possible to produce rice in some Asiatic countries much cheaper than it is possible to produce it in Arkansas?

Mr. FULBRIGHT. I know that until recently the production of rice was not fostered in Arkansas by any such payments as are provided for sugar. Only 3 years ago we had an export quota. We were not permitted to export rice to countries where we could get more money for our rice.

Mr. DWORSHAK. Is there a surplus of it now?

Mr. FULBRIGHT. Oh, yes; it is in surplus now. However, it was in a normal and natural condition without any such aid as the sugar bill would provide for beet sugar, and it was not fostered or grown under the kind of protection sugar has had. I have asked several Senators whether they would be willing to take 90 percent of parity for sugar, the same percentage applied to other commodities, and not one was willing to do that.

Mr. DWORSHAK. If we could remove the restrictive acreage and marketing controls, so that we would be free to produce more than 28 percent of the sugar consumed in our country, and could produce 100 percent, I am sure the sugar industry in this country would be in a position to operate under normal conditions, instead of under the restrictions which have been imposed upon the industry.

Mr. FULBRIGHT. The only reason the restrictions are in effect is that outrageous subsidies have been paid. Half the beet growers in the Senator's State would probably stop raising sugar beets if the handouts were abandoned. Of course, there is pressure to increase the acreage, and people from the Senator's State will soon come to Congress to ask for appropriations to build more irrigation projects to bring in more land for sugar production.

Mr. DWORSHAK. I have in mind a memorandum which was prepared by Mr. Lawrence Myers, Director of the Sugar Division, Commodity Stabilization Service, Department of Agriculture. He was on the floor today. I should like to quote from the memorandum. It states that the tax receipts from the half-cent tax on sugar produced \$82 million, of which the Government has paid out \$65 million, leaving a net balance in the Federal Treasury of about \$17 million. Certainly when the Senator from Arkansas contends that the beet-sugar industry or cane-sugar industry is receiving a subsidy because of the one-half cent tax, he is not entirely correct.

If that tax were eliminated and the 1½-cent tariff, which was removed under the provisions of the Sugar Act, were restored, so that the sugar producers on the continent, both cane and beet, would receive some measure of protection in competing with the low-cost sugar produced abroad, then I am sure the price

of sugar would be higher than it is today, and, certainly, there would be no subsidy under that kind of a program. I am sure the Senator will agree with the correctness of that statement.

Mr. FULBRIGHT. No; I do not agree with it; and I do not think the chairman of the committee agrees that a subsidy is not being paid.

Let me ask the Senator whether he contends that the veterans' program does not cost anything because veterans pay taxes.

Mr. DWORSHAK. Certainly, veterans and all Americans pay taxes for a meritorious program. I do not think there is any analogy whatsoever between that and the so-called excise tax of one-half cent.

Mr. FULBRIGHT. The money goes into the Treasury and then it is taken out. All the consumers pay taxes, and then we give this enormous subsidy. I wish to remind the Senator that I have figures showing who gets the money. There is very little of it going to the farmers. The big corporations in Hawaii and in other places get most of it.

Mr. DWORSHAK. Not most of it. Mr. Myers says the payments range from 80 cents—

Mr. FULBRIGHT. I have the figures as to who gets what, and I shall put them into the Record. The Senator is anticipating it a little bit.

Mr. DWORSHAK. May I ask one other question while we are on the point of the tax?

Mr. FULBRIGHT. Certainly.

Mr. DWORSHAK. Will the Senator from Arkansas explain his concept of the imposition of the half-cent tax? Why was it placed on the processing of sugar?

Mr. FULBRIGHT. It was placed on sugar to make the act more palatable to the people. There was a little sleight of hand in connection with it. It passes on the cost to the consumer. Very few people understand the act; it is very complex.

Mr. DWORSHAK. Does the Senator from Arkansas believe, or will he contend, that if we should remove the acreage quotas on cane and beet sugar in this country, and remove all marketing quotas, there would be any need of making the bill palatable?

Mr. FULBRIGHT. I lost the thread of the Senator's question.

Mr. DWORSHAK. The Senator said the half-cent tax was imposed to make payments palatable to the producers and to make the program more palatable. If we should permit the producers to produce all they economically could, and placed no marketing restrictions on sugar, then would it be necessary or unnecessary to place a half-cent tax on the processing of sugar?

Mr. FULBRIGHT. If we did not put a quota on it?

Mr. DWORSHAK. Yes. If we eliminated all the restrictions on marketing and permitted the cane growers of the South and the beet growers of the West to produce all the sugar they wanted, would there be any need of the half-cent tax?

Mr. FULBRIGHT. Does the Senator wish to restore the tax?

Mr. DWORSHAK. It is a compensating factor.

Mr. FULBRIGHT. I am against a high tariff.

Mr. DWORSHAK. Is the Senator against all tariffs, on oil and rice, and everything else?

Mr. FULBRIGHT. I do not know of any tariff on rice.

Mr. DWORSHAK. Or on oil, or restrictions or import quotas on oil?

Mr. FULBRIGHT. There is a very small amount; I have forgotten the figure. Whatever quota there is is a voluntary quota. As the Senator from Idaho well knows, the big importers are also big domestic producers. It is a voluntary matter.

I favor a gradual lowering of our tariffs. I think the most difficult problem this country has to face is that of gradually increasing our trade with other countries and enabling the free world to make a good living; in other words, to survive. I agree that that should be done. I do not believe it is practicable immediately and suddenly to abolish all tariffs. I have always favored the approach of the reciprocal-trade program. I think it is a sound approach. The beet-sugar industry is a very small industry. It involves only about 60,000 farmers out of 6 million farmers. The big production is concentrated in the hands of a few huge corporations.

Mr. DWORSHAK. Mr. President, will the Senator from Arkansas yield at that point?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Arkansas yield further to the Senator from Idaho.

Mr. FULBRIGHT. I yield. I think it is a very bad kind of insurance and an unnecessary one.

Mr. DWORSHAK. The Senator said, I think, that it is preferential treatment for a single industry.

Mr. FULBRIGHT. Not a single industry. It applies to wool, also.

Mr. DWORSHAK. I did not refer to wool. But if sugar has preferential treatment, will the Senator from Arkansas be willing to place rice in the same category, with restrictions and quotas?

Mr. FULBRIGHT. The Senator well knows that we have been cutting rice acreage to the bone. We have cut it this year another 15 percent.

Mr. DWORSHAK. Are we still producing a surplus over our own consumption needs?

Mr. FULBRIGHT. The Senator knows the facts.

Mr. DWORSHAK. No; I do not. We do not produce rice in my State.

Mr. FULBRIGHT. The Senator certainly reads the newspapers. We do not produce any wool in my State, but I have heard about the wool will. We do not produce any sugar, but I have read about the sugar bill.

I do not think the Senator will deny that there is nothing similar to this bill with reference to the protection we give to the industry. Would the Senator be will to accept 90 percent parity for sugar?

Mr. DWORSHAK. I am not mandated or authorized to speak for the sugar in-

dustry of this country or that of my own State, but, personally, I would say that if all the restrictions on the production of cane and beet sugar were removed, so that we could produce as much as might be feasible, I think it would be a very fine thing for the industry.

Mr. FULBRIGHT. Without a tariff and a subsidy?

Mr. DWORSHAK. I think it is entitled to the same tariff as other commodities and manufactured products enjoy. Automobiles have a tariff.

Mr. FULBRIGHT. The tariff on automobiles is very slight.

Mr. DWORSHAK. Is not sugar entitled to some measure of tariff protection, the same as thousands of other commodities produced in this country?

Mr. FULBRIGHT. There are many distinctions. All commodities have their own peculiarities. But the beet-sugar industry particularly is a noneconomic and unnatural one. It is somewhat similar to building a lot of hothouses in which to grow bananas, and then saying, "Are not bananas entitled to some protection?" I say that we have no business growing bananas. We can buy them much more cheaply. By and large, I think the cane-sugar industry in this country is quite similar to that in Cuba. But I say we have no business taking desert land and spending billions of dollars a year in order to grow sugar beets and collect a subsidy. I think it is a ridiculous policy.

Mr. DWORSHAK. Would the Senator rather have the producers or growers in the arid Western States produce wheat or cotton, crops of which we have had exportable surpluses, or would he prefer to have them produce sugar of which there is no exportable supply?

Mr. FULBRIGHT. The Senator has asked me a question. I think the policy of the administration of bringing into production desert land, and at the same time paying for the taking of better land out of production and putting it in a soil bank, does not make much sense. It seems to me to be a rather ridiculous policy. On the one hand the land is taken out of production, and payment is made for taking it out; on the other hand, certain producers grow large crops and are paid for doing so.

I do not think that the land should be brought into production until there is a need for it. At some point in our population growth, when there are two hundred, three hundred, or four hundred million people, no doubt that land will be needed. But I think this is not an appropriate time to force the production onto the market.

Mr. DWORSHAK. Any of the new land which is brought into cultivation in the Western States under Federal reclamation is competitive, free-enterprise land, participating in the production of beets, because, under the national free quota in each State, there is no allotment available for any individual producer of beets, unless he has a historical background. So it is idle to talk about producing a lot of additional sugar when no quotas are available for new land.

Mr. FULBRIGHT. Much of the sugar already in production is on the Govern-

ment land, which was irrigated at Government expense. I think the Senator from Utah [Mr. BENNETT] gave the Senate those figures earlier in the day. I remember hearing him discuss them. I cannot remember the exact figures. I do not think it is contended that much of the production was brought in because the Government brought irrigation to the land.

Mr. DWORSHAK. Would the Senator agree to have his favorite commodity, rice, placed in the same preferential category in which sugar is placed?

Mr. FULBRIGHT. I certainly would like to have the handout for rice which the sugar boys have.

Mr. DWORSHAK. That does not answer my question.

Mr. FULBRIGHT. The Senator from Idaho wants more than 90 percent of parity, and is expecting apparently to get an increase in acreage when everyone else is taking a decrease.

Mr. ANDERSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the distinguished Senator from New Mexico, who probably knows much more about the subject than I do.

Mr. ANDERSON. Did I not understand the Senator from Arkansas to say that he was very much interested in the treatment being given to our Latin American friends?

Mr. FULBRIGHT. Exactly.

Mr. ANDERSON. I might explain to the Senator from Arkansas that the 1948 Sugar Act was pretty largely born in the Department of Agriculture while I was there. I sat in on all the conferences in 1947, and the proposals which were considered eventually became the Sugar Act.

So I am not trying to be critical of the sugar legislation. I may differ with the Senator on that point.

As we prepared to deal with the subject of sugar, I could not always understand the statistics which were furnished me, so I asked a man in the Department if he would prepare for me a chart which showed the proportionate amount of the American sugar market each country had.

The Senator from Arkansas will recognize on the chart a heavily colored section at the bottom. That represents the proportion of the domestic sugar market which Cuba has received since 1898.

I assure the Senator that these statistics were very carefully compiled by a man in the Department of Agriculture, who primarily was a plant pathologist, but who made a hobby of the sugar trade.

The Senator will notice that the white section represents the United States cane sugar; the red, the United States beet; the yellow represents Hawaii; the green represents Puerto Rico; and the black section represents the Philippines. If there is an orange color, it represents all others.

Does the Senator realize that in the period beginning about 1905 and continuing until about 1914 or 1915, when a new Tariff Act was passed, Cuba received quite a growth from our market, and got it at the expense of United States cane? United States beet-sugar production was not so small in those days.

Cuban production began to spread out a little and took some of the United States cane production away. I am not talking about the total tons produced, but only of the percentage of the market. Then Cuban production dropped off very rapidly, when another tariff law was enacted about 1918.

In the next period Cuban production rose, and in the 1930's it went away down, because of tariff restrictions.

Does the Senator from Arkansas have any idea why Cuban production jumped up in 1942, and why the Philippine and Hawaiian production almost dropped out of existence?

Mr. FULBRIGHT. The war came on.

Mr. ANDERSON. Yes. When the war came, all American business began to cry for sugar. A most interesting thing was that the congressional districts in which were bottled Coca-Cola, Pepsi-Cola, Dr. Pepper, and similar soft drinks seemed to call for more sugar. They wanted a great deal of Cuban sugar. Those were the years when the Cuban sugar was the priceless ingredient. Everyone said, "Go to Cuba and get all the sugar you can."

Does the Senator realize how in those years the Cuban production was built up and took the place in the American market of the production which had been developed in the Philippines, and completely replaced it so that American business could go on as usual?

The Senator from Arkansas can see from the chart that that period was relatively short lived. In 1948 the new Sugar Act became effective. It still left Cuba with a fair share of the American market.

It afforded an opportunity for beet and cane sugar to take a historical portion of the market, but it permitted the Philippines gradually to come back, and permitted Hawaii to retain its place as a producer.

This was our effort to say to Cuba that we appreciated what Cuba had done. I am very frank to admit that I went to Cuba, actually on a plane, but figuratively on my hands and knees, trying to buy two crops of sugar which they were withholding from the American market. Cuba sold that sugar to us at a price well below the world market, but they did so on the assurance that we would try to protect them in the years after the war.

Since the Sugar Act was pretty well developed in the office of the Secretary of Agriculture, I can say that the reason why this line on the chart stayed fairly well up was that I believed we had incurred an obligation which we ought to repay.

When the act was renewed, Cuba was dropped down a little bit. But what worries me now is that we are going to drop them down a little more. While I favor the renewal of the Sugar Act, and while I am happy to see a price put into the Sugar Act which seems to guarantee stability to the American farmers who are producing the sugar, in both the cane and beet areas, I hope the rights of Cuba will not be forgotten.

It struck me that the Senator from Arkansas was on extremely strong

ground when he submitted that the bill ought to be referred to the Committee on Foreign Relations. I do not have any hope that it will get there. Like the Senator from Arkansas, I have never understood why the bill was referred to the Committee on Finance, except that it was anticipated, perhaps, that it would have an easier time there than in the Committee on Agriculture and Forestry, which is headed by our friend, the able senior Senator from Louisiana [Mr. ELLENDER]. Nonetheless, it was referred to the Committee on Finance.

All I am saying, out of my limited experience, is that I hope I can give some support to the words uttered by the Senator from Arkansas, when he said we should be careful about the treatment of our Latin American friends.

I, for one, feel a tremendous responsibility about Cuba. All over the United States during the war there were housewives who were pleading for sugar for canning, so that they could preserve the fine fruits grown, not in one State, but in almost every State of the Union. When we go to a country and plead with that country to sell us not 1, but 2 crops of sugar, and pay them \$960 million for those 2 crops, and include an escalator clause to protect them in case they bought their rice and flour at higher prices, and said, "If you will sell to us at a low figure, around 4 cents a pound, when the world figure is 8 or 10 cents a pound, we will not forget you," I think it is important that we do not forget them, because the time may come when we may want them to help us again.

Mr. FULBRIGHT. I appreciate the Senator's contribution to this discussion. He is speaking from personal experience. I hope the Senate will pay attention to the remarks of the Senator from New Mexico, because he was the Secretary of Agriculture during this period.

The Senator is interested in the stability of our local, domestic industry. But the bill seeks a substantial expansion, as the Senator from New Mexico knows, which seems to be indefensible under the conditions of the subsidy which the producers enjoy.

I think I might differ with the Senator as to retaining it, even at this level, but to ask for an expansion under the conditions of the subsidy which the producers enjoy, in comparison with the condition of the rest of agriculture, is hard to justify.

Mr. ANDERSON. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. ANDERSON. The Senator referred to the fact that I had been Secretary of Agriculture. I hope he will recall that at that particular time it was necessary, because of world food conditions, to have a world food board. It was my pleasure, although it was a somewhat arduous task, to serve as chairman of that world food board and try to allocate sugar, not only to the United States, but to markets all over the world. We know what Cuba did. Production in Cuba was raised more than 600,000 tons. That caused the possibility of havoc to that country. When Cuba raised her sugar production, it said, first of all, it

was allocated to the United States. Cuba said she wished she could get new markets, and stated that if she could not deal with other countries at that time, it could never get their markets again. We had to say to Cuba, "No; try to get as much as you can into the American market." We bought millions of tons of sugar. Cuba would like to have obligated herself to other markets, but instead she gave us that great opportunity.

When the Senator from Arkansas raises his voice and says it is an international question, and that other Latin American countries are entitled to equal treatment, I do not intend to be critical of the chairman of the Finance Committee, for whom I have great respect, as I do for the other members of the committee, but if there is any way of amending the bill so that Cuba will get a fair share of the future American market, it would be highly satisfactory to one who had to go to Cuba, after 11 months of negotiation by ordinary methods, not only on his own authority, but to negotiate for the Armed Forces and for the Office of Defense Mobilization, not only for sugar, but for molasses and industrial alcohol, which was greatly needed by us. I said to the Cubans we would never forget it.

I came to the floor merely to say to the Senate I hope we will not forget it, because I think we have an obligation to remember what Cuba did for us at a time when business after business faced disaster if we did not get help from Cuba.

Mr. FULBRIGHT. I wish again to thank the Senator for bringing our attention to these matters. There is no one in the country who could speak with greater authority on this matter. He was one of our most distinguished Secretaries of Agriculture.

I call the Senator's attention to page 2 of the report, wherein it states:

The amount of the increase in our market above 8,350,000 short tons, raw value, would be apportioned 55 percent to domestic producing areas and 45 percent to the foreign suppliers.

When we consider that 8,350,000 tons is substantially below the assumed requirements set up on the following page, is it not a fact that by that device we would be cutting the quota for Cuba? Is that not the necessary result of that device? In other words, Cuba has been getting 96 percent of the amount above the quota, or the estimate of our production. Now, by the simple device of lowering the estimated amount below any realistic figure, the 96 percent figure is changed to 45 percent. Is not that the effect of it?

Mr. ANDERSON. I would have to see where the base was, and I would not want to say whether it was or was not; but I do say this to the Senator from Arkansas: That in any market which runs 8,535,000 tons, I think Cuba ought to have pretty close to 3 million tons. If it were only 2,995,000 tons—

Mr. ELLENDER. That is what Cuba will get.

Mr. ANDERSON. As I already explained, as the American market expands, Cuba's quota does not expand with it. When the American market gets up to 9 million tons, Cuba's share goes up to a little over 3 million tons. I

think it ought to have a larger share of the sugar quota.

Mr. ELLENDER. From whose quota would this additional sugar come? I wonder if we could get an answer to that question from the Senator from New Mexico.

Mr. FULBRIGHT. Mr. President, the two Senators from Louisiana have had their say at great length.

Mr. ELLENDER. I am sorry the Senator from Arkansas was not present when I spoke on the point to which the Senator from New Mexico has referred, to the effect that we assisted Cuba in 1948 because we were able to buy sugar at a fixed price from them during the war. When the 1948 act was put on the statute books, we gave to Cuba 96 percent of the deficit of the Philippines; we gave her 96 percent of the consumption increase. If we are to give Cuba more than she is now getting, we will have to take it away from the Philippines, or from our own people. Does the Senator want to do that?

Mr. FULBRIGHT. That is not the only alternative. Neither the Senator from Louisiana nor anyone else will deny that the main purpose of the bill is to increase production of the beet sugar growers of our country. That is the main purpose of it.

I should like to ask the Senator from New Mexico another question with regard to our trade with other countries. Is it not a fact that all these countries as to which we have quotas are large purchasers of our agricultural products?

Mr. ANDERSON. I wish to say to the able Senator from Arkansas that the reason we wrote into the contract, which I signed with the Cuban Government for 2 full years, an escalator clause was that all the money received for Cuban sugar finds its way directly back to the farmers of the United States. Practically every dollar which is obtained by the Cubans as a result of the sale of sugar goes into the purchase of flour, rice, and various other agricultural products.

I was told that they had to have a price with a floor to it. The price could be 4.16 cents, or 4.25 cents, but it had to be at least 4 cents. There had to be some leeway. The first escalator clause which was ever written into a contract of that nature was written into the contract at that time. President Grau wanted to know what was going to happen when price controls were taffed off flour. If they were removed, and if the price on rice and flour doubled, naturally, in order to get the same purchasing power, the price of sugar would have to be doubled.

I expressed my firm conviction that the Government of the United States would not let prices get out of hand. I said that I knew nothing would happen to let prices get out of hand. The President of Cuba expressed doubt, as did others, including Senator Casanova. I said that if there was doubt about it, we could write a provision that if prices should get out of hand, sugar prices would be increased at the same time.

The only reason why that provision was absolutely essential was that Cuba

spends in the United States every dollar she receives for the sugar she sells. If ever there was a hamstring of the trading back of commodities, that was it.

I hope I have made it clear to my able Senator from Louisiana that I am not trying to strike at the American producer of sugar. I do not want to shrink his market. I do not think it is necessary. I merely hope, as the market develops, that the groups which have been traditional growers of sugar for others will expand with it. I was worried that Cuba was not going to participate in that advance to the same extent she participated when we needed her so badly.

Mr. FULBRIGHT. There is no doubt about the fact that the bill will diminish Cuba's percentage of the market as compared with existing legislation.

Mr. ANDERSON. I do not know that.

Mr. FULBRIGHT. That is certainly the purpose.

Mr. President, let me make one other comment, and then I shall yield to the Senator from Florida.

Does the Senator from New Mexico think there is any necessity for passing a bill extending this law for 6 years, especially in view of the provisions he has just mentioned?

Mr. ANDERSON. I wish to say to the Senator from Arkansas that I certainly would vote for a 3-year extension. I am not sure that I would not vote for a 6-year extension, because I have felt that sugar legislation is not bad legislation. That is why I say I hope that if a bill to continue in effect for 6 years is to be passed, extreme pains will be taken to make sure that Cuba is not damaged.

Mr. FULBRIGHT. But this bill already damages Cuba; there is no question about that; that is in the bill.

Mr. ANDERSON. That is why I say that if Cuba is to be damaged, she certainly should be damaged for only 6 months, instead of 6 years. If Cuba is not to be damaged, the bill can cover a 6-year period, so far as I am concerned. I felt compelled to speak in behalf of Cuba only because I went to Cuba and to other countries in that part of the world at a time when Cuba desperately needed a larger sugar quota. Although I have full sympathy for the requirements of Mexico, Peru, and many of our other Latin American friends, and hope that in connection with the bill we will take into consideration those and many other friends, yet I hope we will give due consideration to Cuba, which needs it.

Mr. HOLLAND. Mr. President, I wonder whether the Senator from Arkansas will yield to me long enough to permit me to address three questions to the Senator from New Mexico [Mr. ANDERSON] who, I understand, may not be able to remain in the Chamber very much longer.

Mr. FULBRIGHT. I am willing to yield for that purpose for a limited time. How much time does the Senator from Florida care to have yielded to him?

Mr. HOLLAND. Sufficient to enable me to ask three questions only of the Senator from New Mexico.

Mr. FULBRIGHT. Will 5 minutes be sufficient for that purpose?

Mr. HOLLAND. I think so.

Mr. FULBRIGHT. Very well, Mr. President; under the circumstances I yield 5 minutes to the Senator from Florida, to permit him to ask his questions of the Senator from New Mexico, if I may have unanimous consent for that purpose.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there objection? Without objection, it is so ordered.

Mr. HOLLAND. I thank the Senator from Arkansas.

First, Mr. President, let me thank the Senator from New Mexico [Mr. ANDERSON] for the very fine contributions he has made in the past, and also the very fine contribution he is making now, to agriculture and to the entire Nation.

My first question is this: From the unparalleled experience the distinguished Senator from New Mexico had when he was Secretary of Agriculture during war time, does he not know that sugar is one of the food crops which is regarded as most necessitous and most strategic in the fullest sense of those words?

Mr. ANDERSON. Yes. Of course there are several other foods in that category. Fats and oils are of tremendous importance. But the reason why we had trouble with sugar was that it was a very handy, compact form of food which could be put into sacks and, if it remained dry, could be shipped almost anywhere. Sugar is a very satisfactory form of nourishment, and is susceptible of use in many different forms, including candy bars. Sugar becomes of tremendous importance in supplying dietary deficiencies and also in supplying heat to the human body. Sugar is a very fine food.

Of course those of us who are diabetics take a very dim view of sugar; but for the rest of the populace, sugar is a very fine food.

Mr. HOLLAND. Are not sugar and wool two strategic commodities which are in deficit supply, and therefore have been subjected to programs, such as the sugar program, which have been strongly supported by the Senator from New Mexico, based upon his entirely unparalleled experience?

Mr. ANDERSON. I will say that although sugar was in a peculiar situation, there are certain other commodities in a comparable situation. However, generally speaking, the others are not commodities which are produced simultaneously in the United States and abroad.

A moment ago mention was made of bananas. Bananas are good food, but primarily they are not grown in the United States.

Wool and sugar are two commodities produced in the United States. However, the United States is a deficit production area, insofar as those two commodities are concerned.

Some other commodities are in a comparable situation, but they are not nearly so important to the American diet or the American economy as are wool and sugar.

Mr. HOLLAND. I thank the distinguished Senator from New Mexico.

I have one more question to ask: Is it not true that, believing that those

two commodities are of vital importance—more important, in fact, as I believe the Senator from New Mexico has just said, than are any other commodities—the Senator from New Mexico has consistently supported, and is now supporting, the sugar program, because he thinks it necessary to keep our domestic production of sugar going—always with the understanding, of course, that the Senator from New Mexico also wants us to do our full duty to Cuba, which stood by us in the way the Senator from New Mexico just recited?

Mr. ANDERSON. Yes; if the Senator from Florida will modify his question in the way he did at the conclusion of the question, I agree completely. I do believe there should be a sugar program.

I am worried only about what action has been taken in regard to Cuba.

Let me say that I did not have a chance to read the hearings. I am sure the Senator and his fellow committee members did what they thought was right; and of course they had the advantage of hearing all the testimony. Not only did I not hear any of it, but I have not been able to read any of it, for I have been engaged, and still am engaged, in a hearing in connection with the Atomic Energy Act, which matter has occupied all my attention for a full week, and will continue to do so next week, and so forth.

But within that limitation, I have made up my mind that whenever a sugar program is before the Senate, I would be unfaithful to an obligation I bear within me if I did not say that I hope Cuba will have fine treatment in that program.

Mr. HOLLAND. I thank the distinguished Senator from New Mexico; and I am particularly grateful to my friends, the Senator from Arkansas [Mr. FULBRIGHT] for his courtesy.

Mr. BENNETT. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield for a question.

Mr. BENNETT. Of course I yielded to a considerable extent to the Senator from Arkansas, when I was addressing the Senate.

There are two bits of information which I think belong in the RECORD, in connection with the colloquy which occurred in connection with the remarks of the Senator from Arkansas on the effect on the production of sugar. Under the circumstances, I shall handle the matter in the form of a question: Would the Senator from Arkansas be interested in knowing that, year by year, Cuba exercised the privilege of supply 3,245,000 tons from the deficits of other foreign and domestic areas, through the 8 years of the existing Sugar Act?

I should like to have permission to place this table in the RECORD.

Mr. FULBRIGHT. Certainly. I think that is in accord with the chart.

Mr. BENNETT. I wished to have the figures placed in the RECORD.

Mr. FULBRIGHT. Certainly; I think that would be desirable.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cuba's quotas and deficits in United States sugar market, 1948-56

[1,000 short tons, raw value]

	Deficits received in United States market				Cuba's quota plus deficits	Percent Cuban quota of total United States quotas	Percent Cuban quota plus deficits of total United States quota
	Cuba's United States quota	From Philip-pines	From domestic areas	Total deficits			
1948.....	1,923	705	312	1,017	2,940	26.7	40.8
1949.....	2,219	404	470	874	3,093	29.6	41.2
1950.....	3,403	428	0	1,428	3,431	39.1	39.4
1951.....	2,614	190	143	333	2,947	33.1	37.3
1952.....	2,622	190	213	403	3,025	33.2	38.3
1953.....	2,574	96	89	185	2,759	31.8	34.1
1954.....	2,719	0	5	5	2,723	33.0	33.0
1955.....	2,860	0	0	0	2,860	34.0	34.0
1956.....	2,809						

¹ Because a technical deficit of 400,000 tons was declared in Cuba's 1950 quota, official statistics of the Department of Agriculture show 27,500 tons net deficit to Cuba that year.

² Initial 1956 quota based on 8,350,000 consumption estimate.

Source: Data from 1948 to 1952 from Sugar Statistics, vol. I. Data for 1953, 1954, 1955, and 1956, from sugar reports and USDA press releases.

Mr. BENNETT. Mr. President, would the Senator from Arkansas be interested in a statement from the Cuban sugar bible, namely, the Weekly Statistical Sugar Trade Journal of February 2, 1956, in which the Cubans discuss the pending bill? Let me say that I should like to read a part of it to the Senator from Arkansas, if he would be interested in having me do so; and I should like to have the entire quotation set forth in the CONGRESSIONAL RECORD.

Mr. FULBRIGHT. Yes; if it is not too long. Certainly I do not wish to exclude any information which is pertinent to our consideration of this matter.

Mr. BENNETT. It will take only a minute to read the part I have in mind.

Mr. FULBRIGHT. Certainly; let the Senator from Utah read it, Mr. President.

Mr. BENNETT. It reads as follows, and is from Luis Mendoza & Co., under date of February 2, 1956:

In the long run we consider that it would be better for Cuba's interests that the domestic areas should participate automatically in the increases in consumption making the Sugar Act fairer and, therefore, of a more permanent character and as they would be participating in the increases in consumption at the same rate in which they supply

their domestic consumption we cannot consider that as a reduction to Cuba.

Then the article continues, but I shall not read further from it. Since the rest of the article is to be placed in the RECORD, the Senator from Arkansas can read it there tomorrow.

But when it is said that a cut in Cuba's hopes is not represented by the allocation of 55 percent to the domestic industry, but is represented by allocations to other foreign countries, let me say that these Cubans feel that that is the unfair situation—and not that the domestic industry is to be permitted to share as it did before 1947.

So, Mr. President, I ask unanimous consent that the statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HABANA, CUBA, January 28, 1956.—Messrs. Luis Mendoza & Co. write as follows:

"THE SUGAR ACT

"In answering the following questions put up to him by Senator J. ALLEN FREAR when appearing before the Senate Finance Committee, Mr. Henry Holland, Assistant Secretary of State for Latin American Affairs, did the best defense of Cuba's sugar quota in the United States ever made in the Senate of that country:

"Question. In World War II where did the United States get the bulk of its sugar?"

"Answer. Cuba.

"Question. Were we able to produce our own needs during the war?"

"Answer. No, sir.

"Question. This sugar which Cuba furnished us during World War II, was it at the world price or at a stipulated price?"

"Answer. It was at a stipulated price which was below the world price.

"Question. Why did Cuba sell sugar to us at less than it could get on the world market?"

"Answer. In my judgment it was because they were willing to devote their major industry which is sugar to supplying our needs and in this way making their contribution to our war effort.

"Question. In another war where would we get most of our sugar?"

"Answer. From Cuba.

"After these definite statements it would seem impossible to have Cuba's sugar quota reduced in order to increase the quotas of countries that were not able or did not want to contribute like her to the war efforts of the United States but there are several political considerations that cannot be overlooked.

"The amendments to the Sugar Act, that now it appears will be introduced by the Senate, makes Cuba's situation somewhat better as compared with the previous projects but anyway we are subject to the reduction to 33.75 percent of the 96 percent we now enjoy in the increases in consumption. This big loss is to a great extent only apparent as the Sugar Act in force was not permanent as it expires at the end of this year and when in 1952 the previous act expired we suffered an actual loss of 170,000 tons and a reduction in the increases in consumption equivalent to about 80,000 tons more, or say, about 250,000 short tons a year so it was logical to assume that at the expiration at the end of this year of the Sugar Act in force the reduction would match the increase in consumption.

"In the long run we consider that it would be better for Cuba's interests that the domestic areas should participate automatically in the increases in consumption making the Sugar Act fairer and therefore of a more permanent character and as they would be participating in the increase in consumption

at the same rate in which they supply their domestic consumption we cannot consider that as a reduction to Cuba. The real reduction we suffer in the projected measure is in favor of the foreign areas amounting to slightly more than 10 percent of the increases in consumption and assuming they reach 135,000 tons, as is expected, the real loss for Cuba would be only about 15,000 tons a year, plus about 75,000 tons this year, as the new Sugar Act will be effective 1 year ahead of schedule.

"The fact is that everybody in Cuba is so upset about this matter of reductions because it has reached the saturation point due to the continuous reductions suffered for various reasons in recent years.

"First of all the 1952 cut of 250,000 tons, then the Philippines, whose large deficits we used to cover, produce at present their full quota. All the domestic areas no longer have deficits which we used to cover to a great extent. Domestic areas, through means of better and modern methods have been increasing production thus requiring larger quotas, but what really hurts us is that the new legislation is favoring the granting of quota increases to countries who did not cooperate during the war or who are not cooperating with the London Agreement which is backed by the United States. We think this attitude is neither logical nor convenient to the United States and above all the fact is that all reductions must be made at Cuba's expense."

Mr. SMATHERS. Mr. President, I think a point of clarification is needed. The Senator from Utah says the Cubans do not feel that they are suffering by reason of the changes between 1955 and 1945; but I say to the Senator from Utah that they certainly would like to have 33 percent of the increase above the figure of 8,350,000 tons; and I hope the Senator from Utah will help us support that particular figure, because that is what the Finance Committee reported.

Mr. BENNETT. Let me say that, rather than read the entire statement, I have had it printed in the RECORD.

Mr. SMATHERS. Mr. President, let me say to the Senator from Arkansas that actually, this proposed legislation does decrease, of course, the amount of sugar Cuba can sell to the United States; and the figures in the table show that in 1956, Cuba will be decreased 97,000 tons; in 1957, 199,000 tons; and it continues to 1962, when Cuba will be decreased 618,000 tons. So actually this legislation would decrease the amount which Cuba could ship to the United States. But I should like to add that the Finance Committee attempted to lessen the blow to Cuba by increasing the proportion which Cuba could sell to the United States, of the increased consumption over 8,350,000 tons, from 27 percent, as in the original Bennett amendment, to 33 percent, which the Finance Committee finally recommended, which represented some relief.

Mr. FULBRIGHT. I thank the Senator from Florida for his observations. I had been struggling to make the point that the pending legislation would involve a decrease in Cuban sugar, and he has clarified it. Of course, page 2 of the report makes it quite clear that there is a decrease.

Mr. MANSFIELD. Mr. President, will the Senator yield for a breather of 1 minute, to enable me to submit a unanimous consent request?

Mr. FULBRIGHT. I yield with the understanding that I do not lose the floor.

Mr. MANSFIELD. Mr. President, in view of the fact that the Senate is now considering the Sugar Act Extension measure, I should like to call to the Senate's attention a letter written by an old friend and colleague in the Congress, the Ambassador of the Philippines, the Honorable Carlos Romulo.

This letter, written to Secretary of State Dulles, sets forth the viewpoint of the Philippines vis-a-vis the sugar legislation before us. It is my hope that Ambassador Romulo's remarks will be given every possible consideration by this body because he speaks as a tried and true friend of the United States and an extremely capable ambassador from the Philippines to the United States.

I ask unanimous consent that the letter be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EMBASSY OF THE PHILIPPINES,

Washington, D. C., January 12, 1956.

His Excellency JOHN FOSTER DULLES,

Secretary of State, Washington, D. C.

EXCELLENCY: I have the honor to refer to the bill, H. R. 7030, to amend and extend the Sugar Act of 1948, and to Your Excellency's note of August 15, 1955, in reply to the Embassy's note of April 26, 1955.

The bill was passed by the House of Representatives at the 1st session of the 84th Congress, but was not acted upon by the Senate. Among other things, H. R. 7030 provides, in section 6 thereof, that section 202 (a) of the Sugar Act of 1948 be amended so that any increases in the United States consumption in excess of 8,350,000 short tons, raw value, be apportioned as follows: 50 percent thereof to domestic areas (continental beet, mainland cane, Hawaii, Puerto Rico, and the Virgin Islands); and the other 50 percent to foreign countries (Cuba and other foreign suppliers except the Philippines). The Philippines is excluded from participating in any such increases in the United States sugar consumption and its sugar quota remains absolutely fixed at 977,000 short tons, raw value.

In Your Excellency's note referred to, you stated that "In its report to the Congress the Department of State did not recommend that the Philippine sugar industry receive at this time a share of future increases in sugar consumption in the United States," and "has indicated that consideration should be given to allowing the Philippines to share in increased consumption when sugar legislation is next amended and after sugar from the Philippines begins to pay a tariff."

In support of its recommendation the Department of State advanced the following arguments:

1. Since the proposed legislation would enable the domestic producers to share in future increases in consumption, the remaining balance thereof available to all foreign suppliers would be correspondingly reduced.

2. It was necessary to improve the position of the so-called full duty countries by giving them greater share of the future increase in consumption available to foreign suppliers.

3. In view of Nos. 1 and 2 above, any further reduction was not possible under present circumstances because of overwhelming importance of sugar to the Cuban economy.

4. That the Philippines is guaranteed a market for 952,000 tons for 18 years, an enviable position which no other country enjoys, and that Philippine sugar is unique in that it pays no duty at the present time and

will experience only gradual imposition of the lower Cuban rate over the extended period of 18 years.

I will now be permitted to state the position of my Government on each of these arguments:

1. This argument apparently is predicated on the proposition that, by allowing domestic areas to share in future increases in consumption, no other area, in this case the Philippines, should be permitted to share in such increase because to do so would further reduce the amount available to other foreign suppliers, i. e., Cuba and full-duty countries. Such a proposition, if accepted, would violate the principle of proportional allotment, which has been the basis of the quota system as inaugurated in 1934.

Section 4 of Public Law 213, 73d Congress, known as the Jones-Costigan Act, provides for proportionate allotments to offshore areas based on "average quantities therefrom brought into continental United States for consumption in the years 1925-32, inclusive * * * ." The Sugar Act of 1937 continued the principle of proportional participation and provided for a Philippine share of 15.41 percent of the United States consumption.

Furthermore, in the view of the Department of State itself, the imposition of an absolute quota is "contrary to the commercial policy of the United States Government." Thus, at the hearing on the Philippine trade bill in 1945, the representatives of the Department of State opposed the imposition of absolute quotas in these words:

"Since imposition of absolute quotas is contrary to the commercial policy of this Government, the Department recommends that the bill be amended to permit imports in excess of quotas, provided that full United States duty is paid on imports over and above the quotas" (statement of L. C. Stinebower, at hearing on H. R. 4184, November 15, 1945).

The revised Philippine-American Trade Agreement signed in Washington on September 6, 1955, permits an increase in the absolute sugar quota of the Philippines at the discretion of Congress. Article II, paragraph 1, of the agreement provides:

"The establishment herein of the limitations on the amounts of Philippine raw and refined sugar that may be entered, or withdrawn from warehouse, in the United States for consumption, shall be without prejudice to any increases which the Congress of the United States might allocate to the Philippines in the future."

While it is true that the participation of the domestic areas and the Philippines in increases in future consumption will reduce the percentage shares of Cuba and other foreign countries of such increases when compared to their previous allotments of such increases, it is to be noted that while domestic areas had fixed allotments corresponding to their productive capacities, the Philippines not only had an absolute quota but its production was, until last year, less than its quota to the United States. With the increased production in domestic areas and the rehabilitation of the Philippine sugar industry, it would seem logical and equitable to reestablish the principle of proportional sharing by all areas of any improvements in sugar consumption in the United States. Such an arrangement will not prejudice any party, since each area will have its basic quota which will be increased proportionately as consumption of sugar in the United States increases in the future over and above 8,350,000 short tons, raw value.

2. The desire of the Department to improve the position of the so-called full duty countries is based obviously on the principle of proportional allotment which it is now proposed to apply more liberally in respect to these countries by giving them a larger share of the increases in consumption. With all deference, I must state that it is difficult to

understand how this principle could be used as an argument for excluding the Philippines from among the suppliers who will thus benefit proportionately from a greater sugar demand in the United States.

3. With respect to the importance of sugar to the economy of Cuba which Your Excellency considers as one of the reasons why the Department did not recommend for the Philippines a share of the future increases in sugar consumption in the United States, I am bound to impress upon Your Excellency the fact that any share assigned to the Philippines will not affect the quantity which Cuba is currently supplying in the United States.

A reference to the record when the quota system was inaugurated in 1944 will show that the Philippines made the greatest sacrifice to make this system possible. For instance, it had to reduce its production from 1,652,593 short tons in 1933-34 crop to 754,271 short tons in the 1934-35 crop, or a cut of more than 50 percent. As may be seen from the following figures, the Philippines suffered the most in the interest of the quota system in the United States.

Sugar production in the United States and principal areas supplying United States with sugar before and after quota system¹

Area	Production, 1933, short tons	Production, 1934, short tons	Increase or decrease, short tons	Percent
United States:				
Beet.....	1,757,000	1,241,000	-516,000	-29
Cane.....	250,000	267,000	+17,000	+7
Puerto Rico.....	1,103,822	773,021	-330,000	-30
Hawaii.....	1,086,654	986,849	-99,805	-9
Philippines.....	1,652,593	754,271	-897,872	-54
Cuba.....	2,583,202	2,882,656	+299,454	+12

¹ Sugar Manual, Hawaiian Sugar Planters' Association, 1954.

Furthermore, the record of the past 20 years establishes the fact that none of the areas experienced a reduction in its allotment except the Philippines, which actually suffered a cut of 3 percent in its quota, that is, from 1,005,602 tons in 1934 to 977,000 tons in 1955. The following figures represent the respective final quotas of the various areas in 1934 as compared to their final quotas in 1955:

Final adjusted sugar quotas, 1934 compared to 1955¹

[Short-tons, raw value]

Areas	Final adjusted quotas		Increase or decrease	Percent
	1934	1955		
Domestic areas:				
United States beet.....	1,556,166	1,800,000	+243,834	+16
United States cane.....	261,034	500,000	+238,966	+92
Hawaii.....	948,264	1,052,000	+103,736	+11
Puerto Rico.....	807,312	1,080,000	+272,688	+34
Virgin Islands.....	5,304	12,000	+6,696	+126
Total.....	3,578,080	4,444,000	-----	-----
Foreign areas:				
Philippines.....	1,005,602	977,000	-28,602	-3
Cuba.....	1,866,482	2,859,840	+993,358	+54
Full-duty countries.....	25,836	119,160	+93,240	+361
Total.....	2,897,920	3,956,000	-----	-----
Grand total.....	6,476,000	8,400,000	-----	-----

¹ USDA reports.

As Your Excellency will recall, the Philippine sugar industry emerged from World War II completely paralyzed with most of its factories destroyed and its farms laid waste. The recovery and rehabilitation of the industry was handicapped by the universal shortage of machinery and equipment.

Plantations had to be reconditioned to resume production, but owing to the lack of cane seeds, work animals, agricultural implements and supplies, it was possible to increase the area under cultivation only gradually. Consequently, despite the efforts and sacrifices of both planters and mill owners and the generous assistance of both the United States and Philippine Governments, it took the industry 8 years to recover completely to its prewar position. In the 13-year period, 1941-53, the Philippines could ship to the United States no more than 4,433,501 short tons of its total quota of 12,376,000 short tons, thus relinquishing a total of 7,952,499 short tons.

That deficit, totalling nearly 8 million short tons and valued at approximately a billion dollars, was filled from foreign sources which thus benefited by the failure of the Philippines as a result of the war. The United States Government collected approximately \$100 million in customs duties on the Philippine deficit which Cuba and other foreign countries supplied. It would seem only fair, therefore, that after so many difficulties, the Philippine sugar industry should be allowed to share with these countries any increase in the United States consumption.

4. Finally, in further support of its recommendation, the Department points out that not only do the Philippines enjoy a guaranteed market for 952,000 tons, but such quota is protected by legislation for an additional 18 years, adding that no other foreign country is in this enviable position. The unique position in which the Philippines thus finds itself in the United States is, however, reciprocated by the equally unique position the United States enjoys in the Philippines. For instance, no foreign country except the United States enjoys national rights in the Philippines in respect of the development of the country's natural resources, business enterprises, and the operation of public utilities.

Again, on a reciprocal basis, the products of the United States are accorded preferential duties in the Philippine market. As a matter of fact, until our war-devastated economy made it necessary for us to limit importations, American products were in the unique position of being entitled to enter into the Philippines without limitations, whereas our principal products—sugar, coconut oil, tobacco, pearl buttons, and cordage—were under quota restrictions in the American market. This preferred position of American products will undoubtedly be restored as soon as the economy of the Philippines returns to normal condition.

The special relationship between our two countries has been, as Your Excellency is well aware, the logical result of fifty-odd years of cooperation and collaboration in peace as in war.

The State Department, in its observation on Philippine progress in 1954, stated the legitimate interest of the United States in Philippine progress in the following vein:

"We in America have a human interest in the fate of the Philippines, for a half century an American protege and in the darkest days of World War II our staunch ally. But self-interest no less than international friendship demands our deep concern for the welfare of the Philippines, for the 1,100-mile-long archipelago close to the southeastern rim of Asia is of strategic importance to us and to all free nations. The Philippines forms the southern link in a natural line of defense running northward through Japan and the Kuriles. In recognition of their need of each other, the United States and the Philippines signed a treaty of mutual defense in August 1951.

"Not only vital to our defenses in the Pacific, the Philippines is also *prima facie* evidence of our democratic integrity. In its independence, attained in accordance with promises made by the United States Govern-

ment, the Philippines is proof to the world that the democratic principle is valid and that the United States stands by its promises. Other peoples, especially in the Far East, have kept a close eye on developments in the Philippines, weighing carefully the fact and the results of Philippine independence. With good reason, the Philippines has been called America's show window in the Orient" (Department of State publication 5508, Far Eastern Series 66, August 1954).

The sugar industry has been a main pillar of Philippine economy. Upon it a large portion of the population depend for their livelihood, and the Philippine Government for its revenue. Our sugar exports to the United States provide much of the dollar exchange with which we pay our imports of American products. It is significant to note in this connection that, in the 8-year period before the war, 1934-41, the Philippines had a total favorable trade balance with the United States of \$257 million (imports, \$621 million; exports, \$878 million); in the 8-year period after the war, 1946-53, the Philippines had a total negative trade balance with the United States of \$1,268 million (imports, \$2,861 million; exports, \$1,593 million).

At a time when the dynamic leadership of President Magsaysay is lending such great impetus to a program of development by which the Filipinos hope to stop the inroads of communism, I need hardly emphasize to Your Excellency the importance of maintaining and strengthening the Philippine sugar industry which, upon its record of complete recovery from the vicissitudes of the Second World War, holds the best promise of providing jobs for the masses and improving the trade balances of the Philippines. In fact, against all the difficulties which stem from the provisions of the 1946 executive agreement, increased foreign rates and high labor costs due to the enforcement of the minimum-wage law, the sugar industry is and continues to be a mainstay of the national economy of the Philippines.

According to the State Department, it has indicated to the Congress that "consideration should be given to allowing the Philippines to share in increased consumption when sugar legislation is next amended and after sugar from the Philippines begins to pay a tariff." This, in effect, prolongs the imposition of the absolute quota for the next 5 years, notwithstanding the fact that the Department, as already stated, vigorously opposed it 8 years ago as "contrary to the commercial policy" of the United States Government. The second condition for withholding its recommendation for Philippine participation "after sugar from the Philippines begins to pay a tariff" has already been met because Philippine sugar became subject to 5 percent of the United States duty on January 1, 1956.

In the light of the foregoing facts and considerations, I trust that Your Excellency will find it possible to reconsider your position with respect to the Philippine pro rata participation in any increases in sugar consumption in the United States. I would be most grateful to Your Excellency if the views of my Government could be brought to the attention of the respective committees of Congress for their consideration when the pending legislation comes up before them.

Accept, Excellency, the renewed assurances of my distinguished consideration.

CARLOS P. ROMULO.

Mr. FULBRIGHT. Mr. President, I think the colloquy which has taken place has been very enlightening. However, I had better get on with my speech. I should like to complete it before the Senate suspends for the day.

I think this is a pertinent point. Under Secretary of Agriculture Mr. True

Morse had this to say, as reported on page 74 of the hearings:

The CHAIRMAN. The amount would be sufficient; I mean, there would be sufficient sugar available for the needs of the country?

Mr. MORSE. Yes, sir. We have announced a consumption figure of 8,350,000 to start the year and, as is customary, as requirements begin to grow beyond that there would be additions to this consumption estimate.

In other words, it is quite clear from his statement that that estimate is below what they know will be the requirements later.

The figures speak for themselves. In 1951 Cuban purchases were \$540 million. In 1954 their purchases were only \$420 million worth. In 1951 the United States used 2,946,000 tons of Cuban sugar; in 1954 only 2,729,000 tons.

Among many other items, Cubans purchase large quantities of rice from the United States. As a rule, Cuba is the biggest buyer of American rice. In 1951 United States exports of rice to Cuba were worth \$52 million; in 1954 only \$38 million. Obviously, reduced purchases of sugar from Cuba left the Cubans with less money with which to buy American rice and encouraged Cubans to grow more rice in their own country, although they would prefer to produce sugar.

This shrinkage of the rice market in Cuba hurts every rice grower in the United States, including those in Arkansas. It also hurts the rice farmers in Louisiana, where the value of rice produced exceeds the value of sugarcane. Thus, one of the effects of increasing the domestic sugar quota to the detriment of Cuba is to injure the American rice farmer. Cuba is also an important purchaser of cotton textiles from this country, and her purchases of such textiles have been declining, to the detriment not only of the cotton-textile industry of the United States but also cotton farmers.

In like manner, by benefiting the domestic sugar producer, we hurt the American producers of wheat, beans, lard, automobiles, machinery, and hundreds of other items produced in every section of the United States, items which the Cubans buy in large quantities.

HOW SUGAR ACT BENEFITS A LIMITED GROUP OF DOMESTIC INTERESTS

One of the ostensible purposes of the subsidy payments under the 1948 Sugar Act is to help small farmers. In keeping with this philosophy, the basic subsidy rate, \$0.80 per 100 pounds of sugar—raw value—diminishes progressively with the amount of sugar that the recipient of the subsidy produces. The average subsidy paid in 1953 was \$0.67 per 100 pounds.

In spite of this apparent congressional intention, however, the small farmer has not been the main beneficiary of these subsidies. In 1953, the average payment per farm in Hawaii was \$11,850. In 1953 Florida cane growers received \$1,330,000 in subsidies. The average payment per farm was \$53,000. That is pretty big money for small farmers. Most small farms could be bought for not more than \$53,000.

In 1949 I placed in the CONGRESSIONAL RECORD a list of the producers who had

received individual Sugar Act payments in excess of \$100,000 for cane sugar during the 1948 crop year. For that year, out of total Sugar Act payments to Florida of \$807,738, one sugar planter received \$593,451; 24 others shared the remaining \$214,000. In 1953, 1 cane grower in Florida received \$750,633. In Hawaii, out of 1949 payments of \$8,437,619, 27 cane growers received amounts in excess of \$100,000 each, ranging from \$954,849 down to \$111,232. In Louisiana, two cane growers received in excess of \$100,000 each. In Puerto Rico, 9 received in excess of \$100,000.

Beet sugar subsidies per farm are not of the same order of magnitude but they are still large, averaging in California, the principal beet-producing State, \$4,846 per farm in 1953.

Yet statistics based on average payments per farm fail to disclose the full extent to which the bulk of the subsidy payments tend to go to the big operators. The Department of Agriculture has released figures indicating the distribution of 1952 sugar payments. These figures show that, in the domestic beet areas, 0.3 percent of the growers received 7.5 percent of the payments in 1952. At the bottom end of the scale 1.4 percent of the growers received only 0.002 percent of the total payments.

The differences are even more striking in the mainland cane areas of Florida and Louisiana, as well as in Puerto Rico. In 1952, 124 out of 8,262 mainland cane growers pocketed 48 percent of the subsidy payments, while the 931 growers at the other extreme received only 0.0001 percent.

In Puerto Rico, 11,207 growers received about 5 percent of the total Government payments; they were balanced by the two largest farmers, who also received 5 percent of the total payments.

But these fat subsidies—along with quota and tariff protection—were not enough for the domestic sugar industry. It has been permitted to expand its output 16 percent since 1948 and is now demanding the right to increase still further. Consider how different the situation is for wheat, cotton, corn, and rice farmers.

The domestic sugar industry even had the nerve to demand increased quotas for itself in 1954—3 years before the existing law was due to expire, a law which domestic producers had urged Congress to pass in 1951. The present bill is generous. It would change the Sugar Act only 1 year before it is due to expire.

A month or so ago the administration added still another to the already long and unmatched list of benefits to the domestic sugar industry. The Government is now purchasing 100,000 tons of domestic sugar and trying to give it away abroad. It is purchasing this sugar at the high prices prevailing in the United States, thereby adding \$3 to \$4 million to the cost—just another item to be borne by the consumer and taxpayer, who are to subsidize the domestic sugar producers.

The excuse for buying the 100,000 tons of domestic sugar is that there is a surplus or over-quota supply of such sugar

in the United States. The Sugar Act, however, contains provisions by which the Secretary of Agriculture can control production and so prevent the appearance of any such surplus. In fact, the law provides that one of the conditions for paying subsidies to growers shall be the control of production in line with the established quota. Consequently, no surplus sugar could exist in domestic areas if the law had been properly administered.

LEGISLATION INJURES OUR BEST SOURCE OF SUGAR

The proposed Sugar Act legislation—in both the House-passed version and in the administrations' own bill—is bad enough in serving to expand the artificially propped, triply protected, highly subsidized, uneconomic domestic sugar industry at the expense of Cuba, historically our natural and economic source of supply.

But what is even worse—morally and economically—both proposed changes in the Sugar Act would further penalize Cuba, our one sure supplier of sugar, at reasonable prices, in time of war as well as in time of peace.

During World War II, when the United States was in vital need of sugar—essential for ammunition as well as food—for both herself and her allies, some foreign producers preferred to sell their sugar in the open market in order to take advantage of the higher price. We had to turn to Cuba to double her production, and Cuba sold us her crop at a price substantially below what she could have gotten on the open market.

The export of sugar is vital to Cuba, for sugar is overwhelmingly her principal crop. Sugar is a relatively unimportant source of revenue for both Peru and Mexico, and not nearly as important to the Dominican Republic as to Cuba.

Cuba has virtually but one item to sell us—sugar. Peru sells us minerals of all kinds and a special kind of cotton. The Dominican Republic sells us coffee and cocoa. Mexico sells us a host of items, fishery products, and agricultural products, minerals, and oil, and more recently natural gas. Mexico increases its production of cotton to sell on the world market even as the United States reduces its production of cotton for sale on the world market. Under these circumstances, in our own best national interest, how can we reduce Cuba's share of the American sugar market to the benefit of Peru, the Dominican Republic, and Mexico?

Mexico, Peru, and the Dominican Republic are today enjoying a booming prosperity. That is good. Cuba is suffering from a severe recession—a 40-percent reduction in sugar production and with it a 40-percent reduction in take-home pay for the sugar workers. That is bad. So that great good neighbor, the United States, now moves to help the situation by giving Mexico, Peru, and the Dominican Republic a bigger share of the American market at the expense of Cuba. That is just dandy.

However, I want it clearly understood that I think the other countries which

I mentioned, and to which I referred a moment ago as being among our best customers for all products, especially other agricultural products, should not be cut.

With regard to the effect on rice exports, in 1949 to 1950, we exported to Cuba 6,111,625 hundredweights of milled rice, and in 1950 to 1951, the export figure of milled rice to Cuba was 6,959,708. Since that time, our exports of milled rice to Cuba have been substantially diminished each year. In the 1953 to 1954 period, our exports of this commodity had fallen to 4,655,390 hundredweights.

During the period from 1950 to 1955, imports of sugar from Cuba to the United States declined from 3,265,088 short tons raw value to 2,667,840, the initial quota for 1955, which is a reduction of 597,248 tons. In the corresponding period, exports of rice from the United States to Cuba dropped from 6,959,708 hundredweights in 1950 to 4,655,390 hundredweights in 1954, a reduction of 2,304,318 hundredweights.

These figures leave little doubt that the quota system imposed on the importation of Cuban sugar by the Sugar Act have had a serious diminishing effect on the amount of rice we export to Cuba.

Mr. President, I wish to draw the Senator's attention also to the relative costs of some of the agricultural programs. The most recent report of the Commodity Credit Corporation, as of December 31, 1955 discloses the following information taken from schedule 8 entitled, "Analysis of Program Results From October 17, 1933, through December 31, 1955 (Realized Gains and Losses)."

This schedule shows that the realized loss from price support programs on basic commodities for that period is \$489,648,464. The total cost of all price support programs is shown at \$2,720,817,458.

For example, the cost of price supports during this period have amounted to—

Rice	¹ \$6,051,406
Upland cotton.....	² 267,889,590
Wheat	² 335,497,546
Potatoes	² 478,536,219
Dried milk.....	² 302,178,866
Butter	² 322,049,716

¹ Profit.

² Loss.

The total of payments under the Sugar Act from 1937 to 1955 is \$1,038,735,000.

That is incredible to me. I do not believe many persons realize that we have paid to this relatively small number of sugar producers, many of whom are in Hawaii and Puerto Rico—especially the big producers—more than a billion dollars since 1937, although the total realized loss for all the basics was less than a half billion dollars.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am glad to yield to the distinguished Chairman of the Committee on Agriculture and Forestry.

Mr. ELLENDER. Does the Senator have before him the amount collected during that period? I refer to the entire amount.

Mr. FULBRIGHT. That amount is in the report. I have never questioned the amount which has been collected. I agree that we have collected more taxes from the people of our country than the amount of that payment. However, that is quite irrelevant to the issue. We have also collected more taxes from the people of the country than the total cost of running the Government. We have not had a deficit every year. I see no relevancy in that regard. We penalize the consumers of the United States and collect a tax from them, and then pay the money to a few people who produce sugar.

Mr. ELLENDER. With the Senator's permission, I should like to make a short statement, to the effect that from 1938 to 1955 the entire amount collected was \$1,298,858,419. The net amount that went into the Treasury and not paid out was \$312,648,370.

Mr. FULBRIGHT. I do not believe that has any significance at all. It is like the argument that the veterans program does not cost us anything because the veterans pay taxes. They may well pay more than the cost, but a great many other people also pay taxes. The taxes are levied on all the people, as was brought out in the committee, and not levied merely on the sugar producers.

I have not been able to find in the record of hearings the number of payees under the Sugar Act. However, there are at pages 84, 85, and 86 tabulations showing the number of payees for the 1953 crops in the various domestic areas. They are as follows:

Sugar-beet program.....	40,000
Virgin Islands.....	472
Louisiana and Florida.....	7,565
Hawaii.....	1,200
Puerto Rico.....	19,833

The total of these figures is 69,070.

On February 3 the Senator from Utah [Mr. WATKINS] stated that the most up-to-date census figures indicate that there are approximately 4,700,000 farms. Therefore, it is a very small fraction of the producers.

I have submitted two amendments which I intend to offer to the bill. One of them merely cuts down the period for which the act is extended to 2 years. I believe that then we should take a look at the act to see how it works and determine what havoc it has caused. In the Central American countries we are doing a great deal to isolate ourselves. Certainly we are isolating ourselves from our friends in Europe and Asia. Now with this bill we contribute to our isolation in this hemisphere. Therefore I commend the amendment to the Senate merely as a safeguard against the drastic effects of the bill.

The other amendment would provide 90 percent supports for sugar, because, as I have said before, I see no reason why the support for sugar should be higher than it will be for the commodities covered in the bill which I hope the distinguished Senator from Louisiana [Mr. ELLENDER] will bring to the Senate from the Committee on Agriculture and Forestry. I do not believe sugar should be supported at any higher percentage of

parity than wheat or cotton or any of the other basic commodities.

I ask unanimous consent to have printed in the RECORD at this point a memorandum I have prepared relative to payments to individual producers in Hawaii, Florida, Louisiana, and Puerto Rico, and some discussion of the subject.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

It was testified, at the hearings upon the amendments to the Sugar Act of 1948, that payments under this act have averaged \$64 million annually. An analysis of the producers receiving these payments discloses that during the year 1954, 39 producers received over \$100,000 each. Their sugar act payments comprise approximately 20 percent of the total payments to all producers. One producer received over \$1 million. Set forth below is a tabulation showing how much each of these producer companies received:

	Amount of payment, 1954
Hawaii:	
Hakalau Plantation Co.....	\$180,726
Hamakua Mill Co.....	282,935
Hawaiian Agricultural Co.....	311,534
Hilo Sugar Plantation Co.....	192,840
Honokaa Sugar Co.....	243,824
Hutchinson Sugar Plant. Co....	163,104
Kaiwiki Sugar Co., Ltd.....	180,656
Kohala Sugar Co.....	360,527
Laupahoehoe Sugar Co.....	219,179
Olaa Sugar Co., Ltd.....	265,141
Onomea Sugar Co.....	230,196
Paauhau Sugar Plant. Co.....	176,446
Pepeekeo Sugar Co.....	203,524
Gay & Robinson.....	171,911
Grove Farm Co., Ltd.....	325,264
Kekaha Sugar Co., Ltd.....	397,586
Kilauea Sugar Plant. Co.....	145,205
McBryde Sugar Co., Ltd.....	285,441
Olokele Sugar Co., Ltd.....	288,002
The Lihue Plant. Co., Ltd.....	498,880
Hawaiian Commercial & Sugar Co., Ltd.....	1,051,585
Pioneer Mill Co., Ltd.....	457,358
Wailuku Sugar Co.....	271,718
Ewa Plantation Co.....	489,051
Kahuku Plantation Co.....	195,828
Oahu Sugar Co., Ltd.....	572,497
Waialua Agricultural Co., Ltd....	517,710
Florida:	
U. S. Sugar Corp.....	702,564
Okeelanta Sugar Refinery, Inc....	119,015
Louisiana:	
Godchaux Sugars, Inc.....	121,363
South Coast Corp.....	221,261
Southdown Sugars, Inc.....	200,859
Puerto Rico:	
Luce & Co.....	557,288
Heirs of Miguel Esteves Blanes, deceased.....	144,015
Eastern Sugar Associates.....	328,904
Antonio Roig, Sucrs.....	345,101
Sucesion J. Serralles.....	322,094
Mario Mercado e Hijos.....	105,963
Ramon Gonzales Hernandez.....	107,850

HIDDEN BENEFICIARIES

Sugar producers form a tightly-knit organization. Indeed, unlike any other industry of which I am aware, they exchange among themselves common directors. Only in a highly-protected, highly-subsidized, noncompetitive industry would this be possible. I have found, for instance, that one company, C. Brewer & Co., Ltd., owns between 50 and 100 percent of the stock of 10 of the companies which received compliance payments. The payments to these 10 organizations total \$2,164,000, or 3.4 percent of the total payments made by the United States Government to all sugar producers. Another company, Theodore H. Davies & Co., controls three companies, which received Sugar Act payments in 1954 totaling over \$700,000, or a little over 1 percent of the total payments made by the United States Government.

The Brewer and Davies companies, whose names do not even appear in the list of beneficiaries of Sugar Act payments, therefore received almost 5 percent of the \$64 million paid out by the Government last year under the Sugar Act. I understand that recently, some of our big industrial corporations, which are listed on the stock exchange, are entering the field to share the Federal Government's largesse. The financial services recently carried the story that Webb & Knapp either had purchased or were going to purchase the controlling interest in Godchaux Sugars, Louisiana producer. Celotex Corp. has, for some time, held the controlling interest in South Coast Corp., another Louisiana sugar producer which has consistently received in excess of \$200,000 per year in Sugar Act payments. It is apparent from this bare recital of the real beneficiaries of the Sugar Act that the chief beneficiaries are not, as some persons would have us believe, farmers, but large industrial corporations.

RATE OF RETURN

The contribution of the Sugar Act to the prosperity of American sugar producers is evident from the most casual of glances at their income statements. Five American mainland sugar producers received payments of over \$100,000 in 1954. Of these, four publish financial statement about their operations. United States Sugar Corp., which received a payment of \$703,000, earned a return for its investors of 15.4 percent upon their net worth. Southdown Sugars, Inc., which received a payment of \$200,000, earned a return upon net worth in 1954 of 13.1 percent. Although South Coast Corp. earned a return of only 4.9 percent upon its net worth in 1954, those earnings were abnormally low. In 1953 their earnings were 50 percent higher. In 1952 they were approximately 40 percent higher, and in 1951 South Coast's net income, after taxes, was more than twice the net income it received in 1954. In each of these years, however, the Sugar Act payment was between \$165,000 and \$234,000.

Rates of return upon net worth show considerable fluctuation in the table prepared by the Department of Agriculture which appears on pages 80 and 81 of the hearings. Financial information about most of the companies is difficult to obtain and is not published in the financial manuals. It seems that it is those companies, whose financial statistics are not scrutinized by the Securities and Exchange Commission, or any other public agencies, that show the lowest return. Thus, 6 of the 7 Puerto Rican companies publish no financial statistics, and it is the Puerto Rican companies which claim the lowest return. Similarly, the Okleelanta Sugar Refinery is the only mainland company receiving a compliance payment of over \$100,000, which does not show a substantial return upon net worth, and it is the only company which does not publish its financial statement. I make no charges, but I believe this matter should be studied.

UNITED STATES SUGAR CORP.

One of the most highly subsidized corporations is the United States Sugar Corp. For most of the years during which the Sugar Act has been in effect, it was the only producer in the State of Florida which received a payment of over \$100,000 per year. Now, there are two such companies, the other one being the Okleelanta Sugar Refinery, which receives payment slightly in excess of \$100,000 per year.

The United States Sugar Corp. received payments of \$592,000 in 1949, \$615,000 in 1950, \$658,000 in 1951, \$789,000 in 1952, \$750,000 in 1953, and \$702,000 in 1954. During this time it had a net income, before taxes, of \$2,109,000 in 1950, \$5,718,000 in 1951, \$5,857,000 in 1952, \$5,246,000 in 1953, and \$5,223,000 in 1954. The market price of its

stock has reflected its prosperity, for the stock has risen from \$3 per share early in 1950 to \$14 per share in 1955. Benefits from the subsidy, obviously, are designed to improve the financial resources of the stockholders of the corporation.

INACCURACIES IN TABLE

On pages 80 and 81 of the Sugar Act Extension hearings before the Senate Committee on Finance, there appears a table showing the 39 producers receiving Sugar Act compliance payments of \$100,000 or more in 1954 and certain financial data for the calendar year 1954 or the fiscal year ending in 1955. It indicates the gross income of the producers, their net profit, excluding compliance payments, and their net profit including compliance payments, their net worth at the end of the year, their rate of profit upon their net worth, their production of raw sugar, the processing tax collected, the excess of the payment over the processing tax, the rate of tax, and the rate of compliance payments.

The data was collected in response to a request by Senator BYRD during the hearings, by telegrams sent to the producers by the Department of Agriculture. Since it was compiled under pressure and in a hurry, there are some inconsistencies in the table. Of the 39 producers to whom telegrams were sent requesting information, 38 responded and furnished the requested data. Of these 38, it appears that 35 showed net profits. However, if the compliance payment is subtracted from the net profit, the table shows that only 14 would have a net profit.

This method of determining whether there is a net profit from operations exclusive of the compliance payment is fallacious, for it results in subtracting the taxes paid upon the compliance payment before arriving at the net profit, even though the compliance payment is excluded from the income. It would be more accurate to subtract the compliance payment from the profits figure before taxes if a determination whether there is a profit exclusive of compliance payments is desired. The table furnished to Senator BYRD does not have a net-profit-before-taxes figure. In order to obtain this, I examined the financial statements of the producers which are published by the financial manuals. Only 23 of the 39 producers make such financial statements available to the public. Only 1 of the 7 Puerto Rican producers does. My calculations, which have been checked by the SEC, show that 15 of the 23 producers had a net income in 1954 which exceeded the compliance payment.

Company	Profit before taxes	Compliance payment	Excess of profit over compliance payment
Eastern Sugar Associates.....	\$168,850	\$328,904	—\$160,054
Ewa Plantation Co.....	1,402,161	489,051	913,110
Godchaux Sugars, Inc.....	1,090,172	138,488	951,684
Hawaiian Agricultural Co.....	99,293	311,534	—212,241
Hawaiian Commercial & Sugar Co., Ltd.....	2,429,455	1,051,585	1,377,870
Honokaa Sugar Co.....	161,333	243,824	—82,491
Hutchinson Sugar Plan- tation Co.....	82,470	163,104	—80,634
Kahuku Plantation Co.....	77,350	195,828	—118,478
Kekaha Sugar Co., Ltd.....	845,655	397,586	448,069
The Lihue Plantation Co., Ltd.....	985,118	498,880	486,238
McBryde Sugar Co., Ltd.....	218,416	285,441	—67,025
Oahu Sugar Co., Ltd.....	1,551,552	572,497	979,055
Olaa Sugar Co., Ltd.....	—745,382	265,141	—1,010,523
Olokele Sugar Co., Ltd.....	561,426	288,002	273,424
Onomea Sugar Co.....	37,975	230,196	—192,221
Paauhau Sugar Planta- tion Co.....	198,745	176,446	22,299
Pepeekeo Sugar Co.....	238,847	203,524	35,323
Pioneer Mill Co., Ltd.....	822,704	457,358	365,346
South Coast Corp.....	497,439	221,261	276,178
Southdown Sugars, Inc.....	1,814,441	227,073	1,587,368
United States Sugar Corp.....	5,223,621	702,564	4,521,057
Waialua Agricultural Co., Ltd.....	1,180,743	517,710	663,033
Wailuku Sugar Co.....	506,312	271,718	234,594

SUGAR PAYMENTS FROM, COMPARED TO TAX PAYMENTS TO, TERRITORIAL, STATE, AND FEDERAL GOVERNMENTS

A comparison was also made between the total Federal income, excess profits and territorial or State taxes paid by the sugar producers and the payments received by them.

It was found that 18 of the 23 producing companies received more from the Federal Government as a payment under the Sugar Act than they pay to the Federal and territorial or State governments in taxes. In effect, therefore, they have a tax-free operation.

Names of persons receiving Sugar Act payments of \$100,000 (rounded to nearest dollar) or more

Name of producer	Amount of payment					
	1949	1950	1951	1952	1953	1954
Hawaii:						
Hakalau Plantation Co.....	\$163,902	\$150,784	\$133,839	\$151,694	\$166,920	\$180,726
Hamakua Mill Co.....	215,398	234,544	235,271	247,724	291,793	282,935
Hawaiian Agricultural Co.....	318,698	308,085	320,733	306,657	313,439	311,534
Hilo Sugar Plantation Co.....	187,735	166,655	138,507	148,456	172,715	192,840
Honokaa Sugar Co.....	267,392	245,150	248,577	231,439	309,421	243,824
Hutchinson Sugar Plantation Co.....	169,150	160,866	156,710	176,577	192,448	163,104
Kaiwiki Sugar Co., Ltd.....	111,233	152,491	164,544	173,685	189,985	180,656
Kohala Sugar Co.....	329,718	356,786	374,432	352,851	404,692	360,527
Laupahoehoe Sugar Co.....	154,176	156,795	179,352	195,295	225,550	219,179
Olaa Sugar Co., Ltd.....	270,542	271,995	238,720	295,032	281,954	265,141
Onomea Sugar Co.....	180,275	147,556	113,804	163,743	201,628	230,196
Paauhau Sugar Plantation Co.....	140,893	149,417	159,764	172,298	176,535	176,446
Peepee Sugar Co.....	167,277	171,124	154,454	175,589	194,619	203,524
Gay & Robinson.....	131,589	149,086	155,361	172,693	170,610	171,911
Grove Farm Co., Ltd.....	297,254	290,393	253,490	302,340	329,637	325,264
Kekaha Sugar Co., Ltd.....	394,386	375,705	364,661	392,831	388,238	397,586
Kilauea Sugar Plantation Co.....	122,825	119,781	123,777	133,563	157,771	145,205
McBryde Sugar Co., Ltd.....	262,012	266,985	270,892	292,851	294,385	285,441
Olokele Sugar Co., Ltd.....	260,061	270,457	289,384	288,729	308,685	288,002
The Lihue Plantation Co., Ltd.....	473,508	461,941	473,698	506,439	508,508	498,880
Hawaiian Commercial & Sugar Co., Ltd.....	954,849	974,940	1,028,502	1,011,005	1,085,695	1,051,585
Pioneer Mill Co., Ltd.....	355,598	397,691	437,180	391,671	433,037	457,358
Wailuku Sugar Co.....	219,844	242,421	234,159	208,979	244,946	271,718
Ewa Plantation Co.....	461,725	475,195	479,118	472,586	489,921	489,051
Kahuku Plantation Co.....	178,495	178,884	181,047	187,968	201,804	195,828
Oahu Sugar Co., Ltd.....	600,740	588,492	600,963	608,470	613,463	572,497
Waialua Agricultural Co., Ltd.....	483,601	510,227	522,311	524,113	450,332	517,710
Florida:						
United States Sugar Corp.....	592,452	615,026	658,835	789,158	750,633	702,564
Okeelanta Sugar Refinery, Inc.....	(1)	(1)	(1)	125,343	158,148	119,015
Louisiana:						
Godechaux Sugars, Inc.....	(1)	127,675	(1)	135,124	138,488	121,363
South Coast Corp.....	177,418	232,478	165,863	226,256	234,416	221,261
Southdown Sugars, Inc.....	143,447	166,330	127,713	234,696	227,073	200,859
Puerto Rico:						
Luce & Co.....	608,281	617,988	610,841	555,599	557,288	-----
Heirs of Miguel Esteves Blanes, deceased.....	142,600	166,707	154,701	140,143	144,015	-----
Eastern Sugar Associates.....	429,992	344,622	388,236	336,668	328,904	-----
Antonio Roig, Successors.....	392,770	356,064	368,743	337,295	345,101	-----
Sucesion J. Serralles.....	376,861	396,125	363,867	318,746	322,094	-----
Mario Mercado e Hijos.....	112,484	119,704	116,589	110,194	105,963	-----
Ramon Gonzalez Hernandez.....	107,618	(1)	131,877	109,748	107,850	-----
Antonio Cabassa Vda.....	103,584	101,885	(1)	(1)	-----	-----
Heirs of Alfredo Ramirez Rossell.....	112,682	101,430	(1)	(1)	-----	-----
	1949-50	1950-51	1951-52	1952-53	1953-54	

¹ Under \$100,000.

NOTE.—The above figures of payments were tabulated according to the records in the Washington office of the Sugar Division. Inasmuch as reports for processor-producers only have been received during the past few years, there may be some producers, other than processors, who have received payments of \$100,000 or more. However, this is doubtful.

Mr. FULBRIGHT. I should like to point out the nature of this information, to indicate the type of situation we are dealing with. Let us take Hawaii. The Hawaiian Commercial & Sugar Co., Ltd., was paid \$1,051,585. I can see no excuse whatever for levying a tax upon the housewives of this country and paying any such magnificent sums to a number of enormous corporations operating in Hawaii. The list contains 39 producers who received in excess of \$100,000 each.

Mr. HOLLAND. I believe it is 38 producers.

Mr. FULBRIGHT. My list shows 39. It is taken from the same statistics which were presented at the hearings. I wonder how many people realize that these enormous payments are being made. I found for instance that one company, C. Brewer & Co., Ltd., owns between 50 and 100 percent of the stock of 10 of the companies which received compliance payments. The payments to these 10 organizations total \$2,164,000, or 3.4 per-

cent of the total payments made by the United States Government to all sugar producers.

If these are little farmers we are helping, I do not understand the English language.

Another company is the Theodore H. Davies Co., which controls three companies. It received sugar payments in 1954 totaling in excess of \$700,000, or a little more than 1 percent of the total payments made by the United States Government.

If there is any justification for aiding a few small growers to get started or to survive in the arid West, perhaps a case can be made for such a situation. However, I am utterly unable to understand why we should subsidize to the tune of \$2 million a great combine in Hawaii which owns 10 big companies.

There is one other point I should like to make in regard to the profits of these companies. I believe I have consent to place these papers in the RECORD. I believe the distinguished chairman of the

Finance Committee did not put into the RECORD the letter and the table, and if it is agreeable with him, I ask unanimous consent to have printed in the RECORD a letter from the Department of Agriculture, addressed to the chairman of the Finance Committee. I believe he made inquiry as a result of my letter to him relating to the interpretation of the tables. I believe there was a misconception left by the table presented to the committee. I think this letter clarifies the situation, together with the table which I ask consent to have printed at this point.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
COMMODITY STABILIZATION SERVICE,
Washington, D. C., February 6, 1956.

HON. HARRY F. BYRD,
Chairman, Senate Committee on
Finance, United States Senate.

DEAR SENATOR BYRD: We appreciate very much your calling to our attention Senator FULBRIGHT's comments on the data supplied by the Sugar Division, which appear on pages 80 and 81 of the hearing record of the Committee on Finance on the extension of the Sugar Act.

The data, as you will recall, were furnished in response to your request, which appears on page 78 of the RECORD, as follows:

"I would like to have a statement of all companies that get over \$100,000 subsidies and find out what the earnings were without the subsidies, and what the earnings are with the subsidies, with the amount of invested capital."

The table contains two columns labeled "Net profit (or loss) from all operations"; one "including compliance payments," the other "excluding compliance payments." The latter is subject to a footnote which reads, "Without adjustment for the income tax paid on compliance payments." As the note indicates, and as the figures in the column clearly show, the data in the latter column represent a simple subtraction of the amount of the compliance payment from the net profit (or loss) from all operations. The compliance payments are shown in the first column of the table.

Senator FULBRIGHT objects to our simplified procedure which did not include the computation of income taxes on compliance payments. Much can be said in favor of a more comprehensive procedure which will show the tax breakdown required to meet Senator FULBRIGHT's point. The effect, of course, is to show that companies in a profit position are permitted to retain only a portion of their compliance payments. Unfortunately, Senator FULBRIGHT, in his own computations, shows as the "true profit figures" data on profits before taxes. In an evaluation of earnings we do not consider it proper to disregard any such major item of cost as taxes. Senator FULBRIGHT, by ignoring taxes, overstates net profits for the more profitable companies by more than 100 percent.

Federal income taxes alone amount to 30 percent of the first \$25,000 of taxable net income and to 52 percent of taxable net income above \$25,000. All of the companies, except those in Puerto Rico, are subject to this tax and those in Puerto Rico are subject to a substantial income tax imposed by the Commonwealth. Additional taxes or net income are levied by Hawaii and a number of States on firms operating in those jurisdictions. It does not appear valid to ignore a cost which may be greater than the net profit.

In order to obtain information required for the more elaborate computations sug-

gested by Senator FULBRIGHT's letter, i. e., the amount of the compliance payment which is recovered as income tax, we have asked the payees for additional information, including the portions of their income taxes ascribed to the receipt of compliance payments. This information is tabulated on the attached table which shows for each of the payees a breakdown of the net profit into two parts: One, that attributable to the compliance payment and two, that attributable to all other sources.

Except for one company that now has a final tax figure in place of an estimate, the

total net profit position of each of the companies is identical in the two reports. Obviously, the total profit cannot be affected by tax prorations or other such computations.

The former simplified computations showed that 24 of the 38 companies had either losses or net profits smaller than their compliance payments. By deducting taxes from the compliance payments it is found that 5 of these companies had a net profit from other sources. These detailed computations show that 19 of the 38 companies

would have had losses if they had received no compliance payments.

Senator FULBRIGHT gives data taken from financial manuals on profits before taxes for 23 companies. His data show that of these 23 companies 8 would have had losses before taxes if no compliance payments had been received. Apparently the data used by Senator FULBRIGHT tended to cover the more profitable companies.

Sincerely yours,

LAWRENCE MYERS,
Director, Sugar Division.

Effect of Sugar Act compliance payments on the net profit (or loss) of sugarcane and sugar beet producers who received compliance payment in excess of \$100,000, calendar year 1954 or fiscal year ending in 1955

Company	Sugar Act compliance payment	Net profit (or loss) before income taxes	Federal and State taxes on income			Net profit (or loss) after income taxes			Percentage of compliance payment retained after income taxes
			Total	Apportioned to—		Total	Ascribed to—		
				Compliance payment	Other net income		Compliance payment	Other	
Domestic beet area: None.									
Mainland sugarcane area:									
Godechaux Sugars, Inc.	\$126,388	\$747,323	\$373,171	\$67,000	\$306,171	\$374,152	\$59,388	¹ \$314,764	47.0
Okeelanta Sugar Refinery Inc.	119,015	(75,433)			(75,433)	119,015	119,015	(194,448)	100.0
South Coast Corporation	222,787	659,456	350,000	118,000	232,000	309,456	104,787	¹ 204,669	47.0
Southdown Sugar, Inc.	187,483	1,638,086	768,948	101,000	667,948	869,138	86,483	¹ 782,655	46.1
United States Sugar Corp.	702,564	5,060,724	2,600,000	351,282	2,248,718	2,460,724	351,282	2,109,442	50.0
Total mainland sugarcane area	1,358,237	8,030,156	4,092,119	637,282	3,454,837	3,938,037	720,955	3,217,082	53.1
Hawaii:									
Ewa Plantation Co.	489,921	1,402,161	746,396	265,536	480,860	655,765	224,385	431,380	45.8
Gay & Robinson	170,610	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Grove Farm Co., Ltd.	329,637	391,792	147,526	111,469	36,057	244,266	218,168	26,098	66.2
Hakalau Plantation Co.	166,301	91,987	37,126	37,126	0	54,861	129,175	(74,314)	77.7
Hamakua Mill Co.	291,793	249,055	36,600	36,600	0	212,455	255,193	(42,738)	87.5
Hawaiian Agricultural Co.	313,439	134,609	7,905	7,905	0	126,704	305,534	(178,830)	97.5
Hawaiian Commercial & Sugar Co.	1,085,695	2,417,294	802,182	603,650	198,532	1,615,112	482,045	1,133,067	44.4
Hilo Sugar Plantation	172,715	366,098	162,421	93,599	68,822	203,677	79,116	124,561	45.8
Honokaa Sugar Co.	301,689	231,160	74,000	74,000	0	157,160	227,689	(70,529)	75.4
Hutchinson Sugar Plantation Co.	192,448	140,651	17,603	17,603	0	123,048	174,845	(51,797)	90.9
Kahuka Plantation Co.	201,804	77,350	0	0	0	77,350	201,804	(124,454)	100.0
Kaiwiki Sugar Co., Ltd.	189,985	157,322	16,600	16,600	0	140,722	173,385	(32,663)	91.3
Kekaha Sugar Co., Ltd.	388,238	845,655	395,063	209,757	185,306	450,592	178,481	272,111	46.0
Kilauea Sugar Plantation Co.	157,771	75,042	5,551	5,551	0	69,491	152,220	(82,729)	96.5
Kohala Sugar Co.	404,692	283,145	105,545	102,696	2,849	177,600	301,996	(124,396)	74.6
Laupahoehoe Sugar Co.	225,550	111,134	0	0	0	111,134	225,550	(114,416)	100.0
McBryde Sugar Co., Ltd.	294,389	218,416	29,230	29,230	0	189,186	265,159	(75,973)	90.1
Oahu Sugar Co., Ltd.	596,149	1,409,543	452,379	205,548	246,831	957,164	390,601	566,563	65.5
Olau Sugar Co., Ltd.	281,954	(745,382)	0	0	0	(745,382)	281,954	(1,027,336)	100.0
Olokele Sugar Co., Ltd.	308,685	585,021	241,120	167,364	73,756	343,901	141,321	202,580	45.8
Onomea Sugar Co.	201,629	80,578	0	0	0	80,578	201,629	(121,051)	100.0
Paauhau Sugar Plantation Co.	176,535	212,399	102,481	95,436	7,045	109,918	81,099	28,819	45.9
Pepeekeo Sugar Co.	194,619	272,473	118,692	99,798	18,894	153,781	94,821	58,960	48.7
Pioneer Mill Co., Ltd.	433,037	800,403	168,491	48,952	119,539	631,912	384,085	247,827	88.7
The Lihue Plantation Co., Ltd.	608,508	861,625	308,328	252,962	55,366	653,297	255,546	397,751	50.3
Waihua Agricultural Co., Ltd.	450,332	999,779	521,712	244,080	277,632	478,067	206,252	271,815	45.8
Wailuku Sugar Co.	244,946	539,344	224,633	132,760	91,873	314,711	112,186	202,525	45.8
Total Hawaii	8,773,071	12,208,654	4,721,584	2,858,222	1,863,362	7,487,070	5,744,239	1,742,831	² 66.8
Puerto Rico:									
Eastern Sugar Associates	337,838	351,955	98,500	111,030	(12,530)	253,455	226,808	26,647	67.1
Heirs of Miguel Esteve Blancs, deceased	135,362	109,940	28,200	28,200	0	81,740	107,162	(25,422)	79.2
Ramon Gonzales Hernandez	105,505	3,711	0	0	0	3,711	105,505	(101,794)	100.0
Mario Mercado y Hijos	105,963	124,746	33,185	29,159	4,026	91,561	76,804	14,757	72.5
Luce & Co.	535,355	237,940	92,459	92,459	0	⁴ 145,481	442,896	(297,415)	82.7
Antonio Roig, Successores	345,101	201,262	47,352	47,352	0	153,910	297,749	(143,839)	86.3
Succion J. Serralles and Wirshing & Co., Coproducers	261,941	(412,825)	0	0	0	(412,825)	261,941	(674,766)	100.0
Total Puerto Rico	1,827,065	616,729	299,696	308,200	(8,504)	317,033	1,518,865	(1,201,832)	83.1
Total, all areas	11,958,373	20,855,539	9,113,399	3,803,704	5,309,695	11,742,140	7,984,059	3,758,081	² 67.7

¹ Reflects income from oil and gas royalties and leases and from the refining of off-shore sugar.

² Not available.

³ Average excludes Sugar Act compliance payment to Gay & Robinson.

⁴ Previously reported as \$137,940 before income taxes were determined to be \$92,459 and when a \$100,000 reserve had been provided for such taxes.

Source: Obtained from payees.

Mr. HOLLAND. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Relative to the table and the letter which the Senator has just placed in the RECORD, the table carries a list, does it not, of all producers of sugarcane who received compliance payments in excess of \$100,000 each, in the year 1954.

Mr. FULBRIGHT. That is correct.

Mr. HOLLAND. Does it not show that 19 of the 38 producers contained in that list would have operated at a loss if they had not had such payment?

Mr. FULBRIGHT. Is the Senator talking about the letter, or about the table?

Mr. HOLLAND. I am talking about both. The table lists the large producers, one at a time, but totaling 38, all of them being producers of sugarcane, who have received compliance payments during the calendar year 1954, in excess of \$100,000 each. My question is this: Is it not true that the list, and the letter accompanying it, both show that 19 of the 38 large producers so listed would have operated at a loss unless they had been drawing compliance payments?

Mr. FULBRIGHT. The fact of the matter is that the table which the Senator has in his hand was furnished only a few minutes before I came to the floor this afternoon by the Senator from Virginia [Mr. BYRD]. We had no access to the figures prior to that time.

As to the companies giving published information, that is not true. We have observed in our analysis of the figures that those companies which publish their statements uniformly, show a higher percentage of profits than those companies which do not publish their figures.

Mr. HOLLAND. Mr. President, will the Senator from Arkansas yield further? Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Does not the letter which the Senator has filed in connection with the list contain this statement:

These detailed computations show that 19 of the 38 companies would have had losses if they had received no compliance payments.

Mr. FULBRIGHT. The table prepared by the Department to which the Senator is referring shows that. The information from which it is compiled was private information. It was not from published statements of the companies.

Mr. HOLLAND. Does not the letter commenting on the distinguished Senator's request contain this statement?

Unfortunately, Senator FULBRIGHT in his own computations shows as the "two profit figures" data on profits before taxes.

Mr. FULBRIGHT. That is correct. The taxes can be deducted. Everyone knows what the tax rate on corporations is. The information supplied to the committee was very misleading because they had deducted taxes twice, which left a completely false situation before the committee. That was the origin of this new request.

Mr. President, I wish to point out a few facts. First, Mr. President, let me say that it seems to me that some Members of the Senate have permitted Hawaii to get a little ahead of them. I think they should figure out a plan which does not favor the Hawaiian producers so much more than our own producers. It would make it a little easier to take if the hundreds of thousands of dollars were going to people in Louisiana or Colorado. I think we have let Hawaii outrade us a little.

Godchaux Sugars, Inc., received a payment of \$126,388, a return of 2.8 percent upon their net worth.

The United States Sugar Corp. received a payment of \$702,564, a return on its investment of 15.4 percent. That is getting up into big money. That is after taxes.

Southdown Sugar, Inc., received a payment of \$187,483, earning a return upon net worth of 13.3 percent.

Mr. LONG. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. Is that after taxes?

Mr. FULBRIGHT. Yes; it is after taxes.

UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, will the Senator from Arkansas yield to me to propound a unanimous-consent request, on condition that he shall not thereby lose his right to the floor?

The PRESIDING OFFICER. Does the Senator from Arkansas yield for that purpose?

Mr. FULBRIGHT. I yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, on behalf of myself, the distinguished minority leader, and the distinguished chairman of the Finance Committee, I send to the desk a proposed unanimous-consent agreement and ask that it be read.

The PRESIDING OFFICER. The unanimous-consent request will be read. The legislative clerk read as follows:

Ordered, That, effective on Wednesday, February 8, 1956, at the conclusion of routine morning business, during the further consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Has not the Senate already entered an order that when the Senate concludes its business today it adjourn until 11 o'clock a. m. tomorrow?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield for any questions concerning the unanimous-consent request, but before so doing I should like to suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask that the question be put on agreeing to the proposed unanimous-consent agreement which I have submitted.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from Texas? The Chair hears none, and the agreement is entered into.

Mr. CARLSON. Mr. President, the debate this afternoon has demonstrated some of the complexities concerning sugar involved in legislation. The matter has been discussed from several angles. For example, the Senator from Arkansas [Mr. FULBRIGHT] has implied that the bill might well have been considered by the Committee on Foreign Relations. I think there is some merit to that contention.

The Senator from Louisiana, the able chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER], and the Senator from New Mexico [Mr. ANDERSON] have suggested that the bill might well have been referred to the Committee on Agriculture and Forestry. I think their suggestions are well taken.

The bill before the Senate, however, was reported by the Committee on Finance, under the able chairmanship of the Senator from Virginia [Mr. BYRD]. The committee considered the bill for several months. Some of the members of our committee have worked very hard and diligently, among them the Senator from Utah [Mr. BENNETT], the Senator from Florida [Mr. SMATHERS], and the Senator from Louisiana [Mr. LONG].

So the bill has come to the Senate with many complex problems and many diverse ideas. I may say frankly that the bill contains some features which I should very much have liked to have changed. I did not obtain everything I wanted.

Nevertheless, the bill increases the acreage allotment for our domestic producers. Furthermore, it gives the domestic producers, the American farmers, the benefit of the economic growth and the population growth. Therefore, I think the bill is very timely.

As we consider the Sugar Act extension today, I believe we can do much to help encourage the principle of reciprocity in United States trade relations with many countries and areas included in the United States sugar legislation.

If reciprocity is to have a real meaning in our foreign trade, it must be a two-way proposition.

Flour is one of our principal items of export to countries with which we are dealing today in the present Sugar Act extension. I discuss this matter today because I firmly believe that in dealing with these countries, some of them favored nations under the reciprocal trade agreements, we should be assured of a fair and equitable treatment, and these countries should recognize the mutual basis of trade.

Testimony before the Finance Committee indicates that there are some countries receiving sugar quota privileges under this legislation that are not observing the true fundamental principles of reciprocity.

It is my intention to discuss this from the angle of the wheat grower and the flour-milling industry of the United States.

For example, when the United States and a foreign country negotiate a trade agreement and the United States gives a tariff concession on an imported product, such as sugar, and receives a concession on an export product, such as wheat flour, that is considered reciprocity. But when the other country imposes trade controls, such as quotas and restrictive licenses, on our export commodities and impairs the concession, the principle of reciprocity receives a serious setback.

The proposed sugar legislation for 1956 has appeared to offer an unusual opportunity for developing a constructive and positive policy in regard to the principle of reciprocity in the United States import and export trade.

The bill clearly recognizes on the part of the United States certain limits that should be placed upon uneconomic or historic domestic production of sugar in the United States. Its quota provisions also enable such countries to participate

in an important way in any further growth of the United States sugar market.

Several of the sugar-supplying countries receiving special import quotas in the United States market have either already taken some action or are reported to be contemplating adopting measures that restrict imports of United States surplus agricultural commodities. Most control measures are to support uneconomic local production in such countries of the basic agricultural commodities or their products, the production of which is now being severely restricted in the United States.

The agricultural commodities which we export to sugar exporting countries are commodities upon which our taxpayers vote large sums of money to maintain a price-support program.

It occurs to me that at least the countries whom we favor in the Sugar Act should at all times give every consideration to some of our problems in relieving our surplus farm products. In most instances, the commodities that we export and hope to export to these countries are commodities that they cannot produce economically.

As I view the trend, based on statistical tables which I shall make a part of these remarks, I am concerned about the future of this trade program. The countries which we favor with special trade concessions are, by establishing certain types of trade control, limiting our export markets, making our own agricultural surplus problem worse, and forcing further acreage and production controls in the United States. There is a limit, in my opinion, as to how far we should be patient in such matters and continue to suffer trade restrictions on our export commodities, especially for items that have been included in trade agreements for which we receive concessions, and in turn gave concessions, and which are now being forced to curtail production while protected monopoly-type operations are developed abroad.

I considered offering an amendment to the sugar bill at this time, designed to place in the hands of the Department of State and Agriculture specific means by which these developments might be corrected and their further expansion arrested.

The amendment I considered offering would have helped to implement a real policy of reciprocity in our foreign trade should be particularly helpful now in dealing with the surplus agricultural problem.

I do not plan to offer the amendment today for two reasons.

In the first place I think it is important that we secure the passage of the bill at the earliest possible date, in order that our domestic producers may know what their program will be for this year.

Second, this type of amendment is of a much broader character and should not be confined simply to sugar-producing countries. For these reasons I am withholding my proposed amendment for the present.

I would, however, specifically direct the attention of the Department of

State and the Department of Agriculture to my deep concern about this problem.

I suggest, and I think most of my colleagues concerned with this problem will concur, that all available means should be employed to correct the many unfair individual country trade problems with which we are faced and which particularly involve our surplus agricultural commodities.

The trade agreement negotiations now in progress in Geneva, for example, should afford an opportunity to help improve this fundamental problem of reciprocity and greater access to markets for many of the products which can be produced economically and so advantageously in the United States.

Congress has given our administrative departments considerable authority to deal with our trade problems; also we

have appropriated billions of dollars for foreign aid and assistance since World War II, and we sharply increased our productive capacity at great cost to help meet the needs of a hungry world. Now we find we are denied access to such markets for much of our surplus production, while other countries want to ship their supplies to the United States.

If some of these problems of trade are not or cannot be corrected soon through the authority and legislative means which have been supplied by Congress, it will be my purpose at a later date to propose suitable legislative remedies.

I ask unanimous consent to have printed at this point in the RECORD tables giving information on wheat and flour exports to Cuba.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—Cuba: Wheat and flour exports from the United States and Canada, prewar average and annually, 1945-46 to 1954-55¹

[1,000 bushels, wheat equivalent]

Year	United States			Canada			Total		
	Wheat	Flour ²	Total	Wheat	Flour	Total	Wheat	Flour	Total
Average, 1934-35 to 1938-39.....	22	4,717	4,739	58	58	110	22	4,775	4,797
1945-46.....	76	8,442	8,518	86	47	133	162	8,489	8,651
1946-47.....	86	8,737	8,823	4	65	69	90	8,802	8,892
1947-48.....	58	6,145	6,203	419	419	58	58	6,564	6,622
1948-49.....	70	6,342	6,412	12	582	594	82	6,924	7,006
1949-50.....	56	5,022	5,078	4	1,831	1,835	60	6,853	6,913
1950-51.....	68	5,153	5,221	17	2,525	2,542	85	7,678	7,763
1951-52.....	145	4,956	5,101	949	2,362	3,311	1,094	7,318	8,412
1952-53.....	1,354	5,051	6,405	1,638	149	1,787	2,992	5,200	8,192
1953-54.....	1,442	3,143	4,585	1,152	776	1,928	2,594	3,919	6,513
1954-55.....	1,621	3,819	5,440	1,113	995	2,108	2,734	4,814	7,548

¹ Supplying countries other than United States and Canada have been unimportant during this period.

² Includes semolina and also flour milled in bond.

Source: Official export data for United States and Canada.

TABLE II.—Cuba: Dollar value of wheat and flour shipments from the United States and Canada, 1945-54

[1,000 United States dollars]

Year (calendar)	United States			Canada			Total		
	Wheat	Flour	Total	Wheat	Flour	Total	Wheat	Flour	Total
1945.....	123	13,758	13,881	123	13,758	13,881	123	13,758	13,881
1946.....	154	16,077	16,231	154	16,077	16,231	154	16,077	16,231
1947.....	230	25,462	25,692	665	665	230	26,127	26,357	26,357
1948.....	199	14,236	14,435	1,015	1,015	199	15,251	15,450	15,450
1949.....	144	14,640	14,784	30	3,180	3,210	174	17,820	17,994
1950.....	129	9,687	9,816	15	4,305	4,320	144	13,992	14,136
1951.....	137	10,990	11,127	75	5,375	5,450	212	16,365	16,577
1952.....	1,282	10,556	11,838	3,500	2,340	5,840	4,782	12,896	17,678
1953.....	2,881	8,502	11,383	2,800	735	3,535	5,681	9,237	14,918
1954.....	3,745	7,422	11,167	2,229	2,106	4,335	5,974	9,528	15,502

Source: Official export value figures for United States and Canada.

Mr. YOUNG. Mr. President, I wish to speak in favor of the extension and re-enactment of the Sugar Act of 1948, as amended, substantially in the form recommended by the Committee on Finance in its report (No. 1461) on H. R. 7030. Briefly, among my reasons for supporting the bill are these:

First, I favor the national policy of the United States Government, enunciated by the committee, of preserving the ability of domestic areas to produce as large a portion of our sugar requirements as may be compatible with our friendly relationship with foreign countries.

Second, the bill as reported would restore the historical principle that the

increase in the American sugar market because of population growth should be shared by the domestic sugar industry on the basis of the committee's recommendations. This would give domestic areas 55 percent of the increase in annual sugar consumption in continental United States above 8,350,000 tons. The need for additional sugar-beet acreage in crop rotation in North Dakota is pressing. Such need and demand apply to both the Red River Valley and to western areas of the State.

Third, the bill recommended by the committee for passage provides that deficits occurring in quotas allotted to any domestic area shall be apportioned

to other domestic areas which are able to fill the deficit. This small advantage to domestic areas is well justified.

I support H. R. 7030 with the amendments recommended by the committee, because I believe that some control of sugar-beet production is necessary. I do so, however, with the specific reservation that when conditions warrant, I shall feel free to propose amendatory legislation designed to provide domestic areas greater quotas. I feel, even at this time, that these areas are entitled to more recognition than the present bill permits.

Mr. SMATHERS. Mr. President, the Sugar Act is a complicated piece of legislation. The Senate Finance Committee's bill for amending and extending the act is necessarily also complicated. Even so, the principles involved stand out clearly enough.

Under existing conditions, it is in the interest of our agricultural economy that the domestic sugar producers should be permitted to expand their output at a rate permitting them to share, on a fair basis, in the annual growth of the American market resulting from the increases in our population.

It is also in our national interest that Cuba, our major foreign supplier of sugar in time of peace, and our indispensable and vital source of sugar in time of war, likewise be given a fair share of the annual increase in American consumption of sugar.

Under the existing Sugar Act, Cuba receives 96 percent of the annual increase; other foreign countries the remaining 4 percent. The domestic industry, therefore, obviously does not share in this increase. It is proposed in the bill reported out by the Committee on Finance, and now under consideration, to reduce substantially the Cuban share in the increase for the benefit of all domestic suppliers of sugar, both beet and cane, and also for the benefit of foreign suppliers which do not have fixed quotas. The domestic sugar industry, with the support of the executive branch of the Government, has requested that it be allotted 55 percent of the annual growth of our national sugar market. The Committee on Finance is in agreement with this position. The bill which has been reported, therefore, allots to the domestic industry the 55 percent which it desires instead of the 50 percent provided in H. R. 7030, as passed by the House of Representatives. This percentage of the growth factor which is now recommended corresponds closely to the proportion of the existing market now being supplied by the domestic industry.

Turning next to our most important foreign supplier, Cuba, it has been our endeavor to apply the same principle and to allot to Cuba 33.8 percent of the annual increase in consumption, a percentage justified by the proportion of our existing market now being supplied by that country. Any reduction below 33.8 percent for Cuba would be contrary to the public interest of the United States in that it would jeopardize an essential source of sugar, would be highly injurious to the economy and well being of a

loyal and allied neighbor, and would affect most adversely a very important export outlet for the products of American farms and factories.

The allotment of 55 percent of the growth factor in sugar consumption to the domestic industry, plus 33.8 percent to Cuba, still leaves 11.2 percent of such factor for the other foreign suppliers, which is nearly three times the 4 percent they receive under existing law. This very generous treatment for such foreign suppliers is accorded because of the small tonnage which constitutes their basic quotas and the excellent trade relations which exist between them and the United States. It is thus clear that the domestic industry and foreign suppliers receive very substantial benefits under the proposed legislation, entirely at the expense of Cuba. Any further reduction in the Cuban share of our market would be, in my opinion, totally without justification and would be based upon no economic principle or historical precedent.

Mr. MORSE. Mr. President, as one of the cosponsors of the original sugar bill, I wish to say I am supporting the pending legislation to extend the Sugar Act.

I think the reasons for my support are very obvious. I believe the sugar producers of this country are entitled to the assistance that will flow from the enactment of the bill.

Last fall I visited a large number of sugar beet growers in the Ontario-Nyssa-Vale area of my State. I found that they are in economic difficulties, and I think there is an obligation on the part of the Government to enact legislation which will not result in a continuation of what amounts to economic discrimination against them.

I care not what language is used, Mr. President; I care not how one may try to describe the effects of the heretofore existing sugar policy; I care not how much international wrapping is used on the package. The fact is that our economic foreign policy in connection with sugar has not accrued to the advantage of our domestic producers.

I certainly do not have to yield to any other Member of the Senate in the position I have taken on our economic foreign policy. I have always taken the position that when we adopt an economic foreign policy, we must always try to be fair to our domestic producers. I think we could do a better job by shipping some Cuban sugar elsewhere, rather than by bringing so much of it into the United States. I quite agree that we owe a great deal to Cuba, and I quite agree that it is not in our national interest to have the economy of Cuba damaged. But, Mr. President, it does not follow that we should continue to import into the United States all the Cuban sugar which is now coming into the United States. If we had a State Department that was doing the job which I believe it should be doing in the field of international economic aid and trade, I believe we would be parties not to bilateral trade agreements, but to multilateral trade agreements, whereby a certain amount of Cuban sugar would go elsewhere in the

world, and we would take into our own country, from other parts of the world, products which would not do the great damage to various segments of our economy which at the present time is being done to the sugar producers of the United States.

Mr. President, because I think such a bill might provide some impetus and stimulate the State Department to do a better job in the matter of the international trading in sugar, I would support it; but I would support it in any event because in my judgment our farmers are entitled to the assistance aimed at in this bill.

As the Senator from Kansas [Mr. CARLSON] has said, each of us can have his own reservations as to how the bill might be improved. But I quite agree with the distinguished Senator now presiding over the Senate [Mr. SMATHERS] that the bill has received the most careful consideration by the Finance Committee; and it has gone through the fires of conscionable compromises in the Committee, I am sure. We have before us a bill which offers the best opportunity of being voted for by a majority of the Senate; and I am going to support the bill. I shall oppose any amendments which would seek to place in effect unfair discriminations against American producers, because I think it is about time that we make very clear to the American sugar producers that they can count upon having their own Government protect their economic interests.

When the bill comes up tomorrow, I hope it will receive a very large majority vote, which I believe it deserves.

Mr. President, at this time I desire to turn my attention to another matter.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). The Senator from Oregon has the floor.

DESIRABILITY OF UNIFORM TERMINATION DATES FOR MARITIME LABOR CONTRACTS

Mr. MORSE. Mr. President, I desire to refer to a matter involving a maritime problem.

I hold in my hand a press release dated February 6, 1956. I desire to read the release, and then I wish to make a few comments on it.

The release reads as follows:

At the close of a conference held under the auspices of Chairman HERBERT C. BONNER, Democrat, North Carolina, of the House Merchant Marine Committee, and the ranking Republican member of the committee, Hon. THOR C. TOLLEFSON, Republican, Washington, Chairman BONNER issued the following statement:

"At the meeting today the leaders of both the management associations and the unions representing longshore labor unanimously agreed upon the desirability of establishing uniform termination dates for the labor contracts on both coasts of the United States. They agreed also upon the desirability of contracts extending over at least a 2-year period. The question of the specific date to be agreed upon was the subject of considerable discussion, and August 1 was tentatively selected as the date upon which both contracts would expire. This date was unconditionally agreed to by Paul St. Sure, repre-

senting the Pacific Maritime Association; Mr. Louis Goldblatt, representing the International Longshoremen's and Warehousemen's Union; and Mr. Patrick Connolly, representing the International Longshoremen's Association. Mr. Alexander Chopin, representing the New York Shipping Association, stated that he had no authority to agree upon any specific date other than the one, September 30, when his contract now expires. He indicated that he would be pleased to take this matter up with the members of his association at once and advise Chairman BONNER of the association's position."

Also attending the meeting today was the Honorable Clarence G. Morse, chairman of the Federal Maritime Board and Maritime Administrator. August 1 was recommended to the New York Shipping Association by Chairman Bonner, Congressman Tolleson, and John J. Allen, Jr., of California, and Board Chairman Morse.

Chairman BONNER expressed the hope that the action taken today would be the forerunner in a series of steps designed to provide increased stability to the maritime industry, and that the New York Shipping Association would agree promptly to the August 1 date. He stated that he intended to contact the leaders of the maritime unions representing the seagoing personnel and ask that they meet with him in a similar conference.

Mr. President, I wish to commend Chairman BONNER and Representative TOLLEFSON for the public service they are rendering in connection with this matter, because economic stability on both coasts in the field of industrial relations I believe would be greatly enhanced by the adoption on the part of the unions concerned and on the part of the industry itself of a common date for the termination of the contracts. I would point out to Mr. Chopin, representing the New York Shipping Association, and to all the members of the New York Shipping Association, that the difference between the date which was recommended in the so-called Bonner conference and the date in the Shipping Association's existing contracts, is simply 1 of 2 months. The Shipping Association's contracts now expire on September 30.

As one who over a period of years arbitrated major maritime disputes on the Pacific coast, for the full length of that coast, in the field of the longshore industry, I can testify from experience that the difference in termination dates between the west coast and the east coast creates a great deal of instability in the maritime industry, particularly in the case of so-called intercoast shipping. It is highly desirable, in the interest of economic stability in that industry, that the contracts expire on the same date.

I sincerely hope that the recommendations of the Chairman of the Federal Maritime Board and the Maritime Administrator, the Honorable Clarence G. Morse, not only be given careful consideration by the New York Shipping Association, but be given favorable consideration.

I hope that as a result of these negotiations, we shall at long last reach the time when there will be a uniform contract termination date, because I am satisfied that such an event would result in much greater stability in industrial relations in the maritime industry on both coasts.

Mr. President, I now desire to introduce a bill.

THE PRESIDING OFFICER. The Senator from Oregon may proceed.

REFERENCE TO INDIAN CLAIMS COMMISSION OF CLAIMS OF COOS BAY, LOWER UMPQUA, AND SIUSLAW TRIBES

Mr. MORSE. Mr. President, on behalf of myself and my colleague [Mr. NEUBERGER], I introduce, for appropriate reference, a bill to authorize the Coos Bay, Lower Umpqua, and Siuslaw Tribes of Indians to present their claims to the Indian Claims Commission for compensation for tribal lands turned over to the Federal Government under an unratified treaty of 1855.

The Indians have not been compensated for their homelands which they gave up nearly a century ago; but neighboring Indian tribes several years ago recovered the 1855 value of their lands, pursuant to an act authorizing them to present their claims—*Alcea Band of Tillamooks et al v. U. S.* (103 Ct. Cls. 494, 329 U. S. 40).

The Coos Bay, Lower Umpqua, and Siuslaw Tribes of Indians were authorized to present their claims to the Government by a jurisdictional act of 1929. However, because of inadequate evidence on the matter of possession of the lands in question, they were denied recovery—87 Court of Claims 143. The Indian tribes named in the authorization bill introduced today are firmly of the opinion that they have been denied justice by the United States. On this subject, they have commented:

The other tribes, the Alcea Band of Tillamooks and others, parties to the same unratified treaty under precisely the same situation presented convincing documentary evidence and the courts held in their favor.

If these facts are correct, we have a striking case of an injustice which has not been remedied, and I think the Congress of the United States should be in the forefront in clearing the way for corrective action.

In recent years, authorization bills similar to that introduced today have been offered in the Senate on behalf of these Indians. However, the Senate Interior Committee, relying strongly upon the doctrine of "res judicata" has not reported favorably upon such bills. Let me assure my colleagues that I recognize the wisdom of the "res judicata" doctrine in private litigation. After all, private legal disputes must be terminated if we are to have certainty and stability in our laws and their administration. On the other hand, where it is claimed that the Federal Government is indebted to citizens of the United States and where it is further alleged that the Government has compensated other citizens under precisely the same circumstances, I feel that serious consideration should be given to the making of an exception to the "res judicata" doctrine.

If the allegations of the Coos Bay, Lower Umpqua and Siuslaw Indians can be established in subsequent proceedings, the case is one which would call for the application of equitable principles. There should be a thorough scrutiny of

the facts if we are to be wholly satisfied that there has not been a miscarriage of justice with respect to these Indians.

I urge that the Senate Interior Committee give prompt and careful study to this bill, which is designed as the first step toward permitting the Indians to present their claims to a proper tribunal of their Government.

All I am asking is simply the right for them to present their evidence in an appropriate judicial tribunal, and let the record speak for itself.

I send to the desk the bill to which I have just referred. I ask that it be appropriately referred; and I also ask that the bill be printed in the RECORD following my remarks.

THE PRESIDING OFFICER (Mr. SMATHERS in the chair). The bill will be received and appropriately referred; and without objection, the bill will be printed in the RECORD.

The bill (S. 3156) to authorize the presentation of claims of the Coos (or Kowes) Bay, Lower Umpqua (or Kalawatset), and Siuslaw Tribes of Indians to the Indians Claims Commission, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That any claim or claims which shall be presented to the Indian Claims Commission under the terms of the act entitled "An act to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes," approved August 13, 1946, by, for, or on behalf of the Coos (or Kowes) Bay, Lower Umpqua (or Kalawatset), and Siuslaw Tribes or Bands of Indians, or portions thereof, and their descendants shall be determined and adjudicated irrespective of and notwithstanding the decision of the courts in the case of Coos (or Kowes) Bay and others against the United States, numbered K345, in the Court of Claims of the United States, or the decision in the case of Coos (or Kowes) Bay et al. v. the United States before the Indian Claims Commission No. 265: *Provided*, That the time for presenting such claim or claims is hereby extended for 90 days after the date of enactment of this act and unless filed and presented within such time shall not thereafter be filed or presented.

SEC. 2. In the presentation of such claims, such tribes or bands may be represented by an attorney or attorneys of their own choosing who may be employed without regard to the provisions of sections 2103 to 2106, inclusive, of the Revised Statutes (25 U. S. C. 81-84). The attorney or attorneys shall be entitled to fees fixed by the Indian Claims Commission, in accordance with section 15 of such act of August 13, 1946, at not to exceed 10 percent of the amount recovered, and to reasonable expenses incurred in presenting such claims.

ADJOURNMENT TO 11 O'CLOCK A. M. TOMORROW

Mr. MORSE. Mr. President, in accordance with the order previously entered, I move that the Senate now stand adjourned until 11 o'clock a. m., tomorrow.

The motion was agreed to; and (at 6 o'clock and 24 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, February 8, 1956, at 11 o'clock a. m.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 9, 1956

For actions of February 8, 1956

84th-2nd, No. 22

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate passed bill to amend and extend Sugar Act. Senate passed bill to increase school milk and brucellosis programs. Senate Committee reported urgent deficiency appropriation bill for 1956. Senate committee reported measures to increase allotments on burley, Maryland, and fire-cured and dark air-cured tobacco. Both Houses received President's message on immigration and naturalization. House received supplemental appropriation estimates for 1956.

HOUSE

1. APPROPRIATIONS. Received from the President supplemental appropriation estimates for the fiscal year 1956 (H. Doc. 330); to Appropriations Committee. (p. 2106)

The estimates include funds for Pay Act costs applicable to the agencies for which other supplementals are requested, as follows:

Agricultural Research Service:

Emergency outbreaks of insects and plant diseases
(contingency fund) 500,000
Pay Act costs 4,294,000

Forest Service:

Fighting forest fires 5,250,000
Administration of timber sales 500,000
Pay Act costs 2,463,500

Commodity Credit Corporation:

Administrative-expense limitation (including
\$1,716,877 for Pay Act costs) 4,964,000

Farmers' Home Administration:

Farm housing loans 5,000,000
Salaries and expenses, for housing loans 150,000
Pay Act costs 1,470,000

Agricultural Conservation Program Service:

Language to extend to Dec. 31, 1956, availability of
unobligated balances for measures to restore lands
damaged by floods and hurricanes and for wind
erosion control practices.

\$24,591,500

2. IMMIGRATION. Both Houses received the President's message on immigration and naturalization (H. Doc. 329) (pp. 2029, 2061). Various Sens. and Reps. commented favorably on the message. pp. 1998, 2064, 2101.
3. FOREIGN TRADE. Rep. Cooper inserted letters from the Executive Branch advising U. S. membership in the Organization for Trade Cooperation. p. 2078
Rep. Bailey registered opposition to U. S. membership in OTC and alleged that the State Department was misleading in its explanation of the functions of that organization. p. 2100
Received from the U. S. Tariff Commission the annual report of the operations of the trade-agreements program. p. 2106
4. ROADS. Rep. Cooper inserted press releases from his office and that of Rep. Boggs urging support of H. R. 9075, to provide revenue for the financing of the Federal highway construction program. p. 2079
5. RECLAMATION. Received from the Interior Department reports on the Ainsworth unit, Neb., Missouri River Basin project (H. Doc. 331), and the Shafter-Wasco Irrigation District. p. 2106
The Interior and Insular Affairs Committee ordered reported H. R. 6268, to provide for the use of appropriated funds by the Secretary of Interior in contracts for the construction of drainage works and other minor items on Federal reclamation projects; tabled H. R. 5749 and H. R. 9132, to provide for the construction, operation, and maintenance of the Ainsworth unit of the Missouri River Basin project, and ordered reported a clean bill on the subject; and (the Daily Digest stated) "adopted a substitute amendment to H. R. 3383, the Colo. River storage project bill, which will be reported not later than Feb. 14" p. 2107

SENATE

6. SUGAR. Passed with ^{amendments} H. R. 7030, to amend and extend the Sugar Act of 1948, accepting the Committee amendment which was in the nature of a substitute to the House bill. Senators Byrd, George, Kerr, Martin (Pa.) and Bennett were appointed conferees on the bill. pp. 1998, 2025. (See continuation on page 6.)
7. NOMINATION. Received from the President the nomination of Franklin G. Floete to be Administrator of the General Services Administration. p. 1963
8. WATER CONSERVATION. Sen. Langer inserted a resolution adopted by the N. Dak. State Water Conservation Commission favoring the enactment of legislation to provide for the operation and maintenance of an irrigation development farm in N. Dak. p. 1964
9. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 9063, making urgent deficiency appropriations for 1956 (S. Rept. 1476). p. 1965
10. TOBACCO. The Agriculture and Forestry Committee reported without amendment S. J. Resolutions 111 and 141, to increase allotments and quotas of burley and Maryland tobacco respectively (S. Repts. 1477 and 1478); and S. J. Res. 136 with amendments to increase allotments and quotas of fire-cured and dark air-cured tobacco (S. Rept. 1479). p. 1965

41. TOBACCO. S. J. Res. 111, by Sen. Butler, relating to Maryland tobacco acreage allotments and marketing quotas; to Agriculture and Forestry Committee.
42. NATURAL RESOURCES. H. J. Res. 525, by Rep. Thompson, N. J., to provide for the observance and commemoration of the 50th anniversary of the 1st conference of State governors for the protection in the public interest of the natural resources of the U. S.; to Judiciary Committee.

SENATE (cont'd)

43. SUGAR (continued). Rejected amendments as follows: Modified Capehart amendment to decrease from 33.8% to 27% Cuba's share of the increased usage of sugar in the future, by a vote of 30 to 56 (p. 2006); by voice vote, Lehman amendment providing that the first 188,000 tons by which quotas for domestic areas are increased shall be allocated according to stated amounts; two Fulbright amendments (1) providing for 90 percent parity price support on sugar, and (2) extending powers of Secretary of Agriculture under the act to 1958 rather than 1962 and providing for termination of taxes on sugar under the act in 1959 rather than 1963; Bennett amendment providing that percentage quotas for countries other than Cuba shall be 11.2 percent and that such proration shall be apportioned on basis of average entries within the quotas from each such country for years 1951-54; and modified Magnuson amendment authorizing Secretary of Agriculture to set aside a reasonable amount of increased quotas for domestic sugar to be used as a reserve for adjusting proportionate shares for new acreage. p. D104.

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COMMITTEE HEARINGS TO BE HELD FEB 9:
Farm program, S. Agriculture (exec).
Disaster insurance, H. Banking and Currency.
Cargo preference, H. Merchant Marine and Fisheries.
Agricultural policy, Jt. Committee on Economic Report (Murray D. Lincoln to testify).

oOo

SENATE (cont'd)

44. MILK; BRUCELLOSIS. As passed (see item 12), H. R. 8320 provides as follows: Extends the special school milk program 2 years to June 30, 1958, increases the amount authorized for it from \$50 million annually to \$60 million for the current fiscal year and \$75 million for each of the next 2 fiscal years, and makes certain nonprofit institutions devoted to the care of underprivileged children eligible for the benefits of the program; extends the accelerated brucellosis program 2 years to June 30, 1958, and increases the amount authorized for it from \$15 million annually to \$17 million for the current fiscal year and \$20 million for each of the next 2 fiscal years; and extends the veterans and Armed Forces milk program 2 years to December 31, 1958.

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S. 3169, by Sen. Watkins, to regulate judicial review of deportation and exclusion orders; to Judiciary Committee. Remarks of author, p. 1968.

S. 3170, by Sen. Watkins, to amend sections 201 and 202 of the Immigration and Nationality Act; to Judiciary Committee. Remarks of author, p. 1968.

32. EXHIBITS. S. 3172, by Sen. Wiley, to provide for the promotion, and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals; to Foreign Relations Committee. Remarks of author, pp. 1969, A1289.

33. FOREIGN TRADE. H. R. 9170, by Rep. Byrd, to regulate the foreign commerce of the U. S. by establishing import quotas under specified conditions; to Ways and Means Committee.

34. IMMIGRATION. H. R. 9171, by Rep. Cretella, to amend and liberalize the provisions of the Refugee Relief Act of 1953; to Judiciary Committee.

H. R. 9180, by Rep. Keating, to authorize the admission to the U. S. of certain aliens; to Judiciary Committee.

H. R. 9181, by Rep. Keating, to amend the Immigration and Nationality Act; to Judiciary Committee.

H. P. 9182, by Rep. Keating, to regulate judicial review of deportation and exclusion orders; to Judiciary Committee.

H. R. 9183, by Rep. Keating, to amend sections 201 and 202 of the Immigration and Nationality Act; to Judiciary Committee. Remarks of Rep. Keating on his bills, p. 2064.

35. PERSONNEL. H. R. 9172, by Rep. Davis, Ga., and H. R. 9173, by Rep. Gross, to amend the Civil Service Act so as to require that certain reports and other communications of the executive branch to Congress contain information pertaining to the number of civilian officers and employees required to carry out additional or expanded functions; to Post Office and Civil Service Committee.

36. GRAIN STORAGE. H. R. 9178, by Rep. Holmes, to extend the period for amortization of grain-storage facilities; to Ways and Means Committee.

37. PROPERTY. H. R. 9179, by Rep. Jennings, to prohibit the use of real property owned by the U. S. for the production of agricultural commodities, including livestock, which are disposed of by sale; to Agriculture Committee.

38. DISASTER LOANS. H. R. 9185, by Rep. Lovre, to authorize the Secretary of Agriculture to make disaster loans; to Agriculture Committee.

39. WATERSHED. H. R. 9192, by Rep. Watts, to amend the Watershed Protection and Flood Prevention Act in order that a greater number of local organizations may qualify for assistance under the provisions of such act; to Agriculture Committee.

40. RECLAMATION. H. J. Res. 524, by Rep. Rhodes, Ariz., and S. J. Res. 142, by Sen. Goldwater, directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes; to Foreign Relations Committee. Remarks of Sen. Goldwater, p. 1972.

84TH CONGRESS
2D SESSION

H. R. 7030

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 1956

Ordered to be printed with the amendment of the Senate

AN ACT

To amend and extend the Sugar Act of 1948, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 101 (d) of the Sugar Act of 1948, as amended,
4 is amended to read as follows:

5 “(d) The term ‘raw sugar’ means any sugars (exclusive
6 of liquid sugar from foreign countries having liquid sugar
7 quotas), whether or not principally of crystalline structure,
8 which are to be further refined or improved in quality to pro-
9 duce any sugars principally of crystalline structure or liquid
10 sugar.”

1 SEC. 2. Section 101 (e) of such Act is amended to read
2 as follows:

3 “(e) The term ‘direct-consumption sugar’ means any
4 sugars principally of crystalline structure and any liquid
5 sugar (exclusive of liquid sugar from foreign countries
6 having liquid sugar quotas), which are not to be further
7 refined or improved in quality.”

8 SEC. 3. Section 101 (i) of such Act is amended by
9 deleting the parenthetical word “(Clerget)”.

10 SEC. 4. Section 101 of such Act is amended by adding
11 at the end thereof a new paragraph to read as follows:

12 “(n) The term ‘to be further refined or improved in
13 quality’ means to be subjected substantially to the processes
14 of (1) affination or defecation, (2) clarification, and (3)
15 further purification by adsorption or crystallization. The
16 Secretary is authorized, in accordance with findings based on
17 public hearings to determine whether specific processes to
18 which sugars are subjected are sufficient to meet the require-
19 ments of this paragraph (n) and whether sugars of specific
20 qualities are raw sugar within the meaning of paragraph
21 (d) of this section, or direct-consumption sugar within the
22 meaning of paragraph (e) of this section.”

23 SEC. 5. Section 201 of such Act is amended by striking
24 in the second sentence thereof the words “1947 prior to the

1 termination of price control of sugar" and inserting in lieu
2 thereof "~~1947-1949~~".

3 SEC. 6. Section 202 (a) of such Act is amended by
4 inserting a colon and "~~(1)~~ For the calendar year 1956" in
5 lieu of the first comma and by adding the following new
6 paragraphs:

7 "~~(2)~~ For the calendar year 1956, by apportioning
8 among such areas 50 per centum of the amount by which
9 the determination made pursuant to section 201 exceeds
10 eight million three hundred and fifty thousand short tons,
11 raw value, as follows:

12 "~~(A)~~ The first one hundred and eighty-eight thousand
13 short tons, raw value, or any part thereof, by which quotas
14 for the domestic areas are so increased shall be apportioned
15 45.2 per centum to the domestic beet area; 42.6 per centum
16 to the mainland cane area; 10.6 per centum to Puerto Rico;
17 and 1.6 per centum to the Virgin Islands; and

18 "~~(B)~~ Any additional amount shall be apportioned on
19 the basis established in paragraph (a) ~~(1)~~ as adjusted by
20 subparagraph ~~(A)~~ of this paragraph (a) ~~(2)~~.

21 "~~(3)~~ For the calendar year 1957 and each subsequent
22 calendar year, by apportioning among such areas four mil-
23 lion four hundred and forty-four thousand short tons, raw
24 value, in accordance with paragraph (a) ~~(1)~~ of this section,

1 and by adding thereto 50 per centum of the amount by which
2 the determination made pursuant to section 201 exceeds
3 eight million three hundred and fifty thousand short tons,
4 raw value, apportioned as follows: First, by apportioning
5 in accordance with the provisions of paragraph (a) (2) of
6 this section an amount not in excess of the amount so appor-
7 tioned in 1956, and second, by apportioning the remainder,
8 if any, in accordance with the final quotas established for
9 the calendar year 1956, pursuant to paragraphs (a) (1)
10 and (a) (2) of this section."

11 SEC. 7. Section 202 (c) of such Act is amended by strik-
12 ing out "For" after "(c)" and inserting in lieu thereof "(1)
13 For the calendar year 1956, for" and by adding at the end
14 thereof the following new paragraphs:

15 "~~(2)~~ For the calendar year 1957 and for each sub-
16 sequent calendar year for foreign countries other than the
17 Republic of the Philippines, by prorating to Cuba 96 per
18 centum and to such other foreign countries 4 per centum
19 of the amount of sugar, raw value, by which eight million
20 three hundred and fifty thousand short tons or such lesser
21 amount as determined pursuant to section 201 exceeds the
22 sum of four million four hundred and forty-four thousand
23 short tons, raw value, and the quota established pursuant
24 to subsection (b) of this section; and by prorating to Cuba
25 50 per centum and to foreign countries other than Cuba

1 and the Republic of the Philippines 50 per centum of the
2 amount of sugar, raw value, by which the amount deter-
3 mined pursuant to section 201 exceeds the sum of eight
4 million three hundred and fifty thousand short tons plus the
5 increase in quotas provided for in subsection (a) ~~(3)~~ of
6 this section: *Provided*, (i) that for 1957 the quota for for-
7 eign countries other than Cuba and the Republic of the
8 Philippines shall be one hundred and seventy-five thousand
9 short tons, raw value, and the quota for Cuba shall equal
10 the sum of the quotas for foreign countries other than the
11 Republic of the Philippines less one hundred and seventy-
12 five thousand short tons, raw value; and (ii) that for the
13 calendar year 1958 and each subsequent calendar year
14 through 1960 the quota for foreign countries other than Cuba
15 and the Republic of the Philippines shall be increased forty-
16 five thousand short tons, raw value, annually and the quota
17 for Cuba shall equal the sum of the quotas for foreign coun-
18 tries other than the Republic of the Philippines for such year
19 less the quota for foreign countries other than Cuba and
20 the Republic of the Philippines for such year. The quota
21 for foreign countries other than Cuba and the Republic of
22 the Philippines shall be prorated for the calendar year 1957
23 and for each subsequent calendar year as follows:

24 “(A) Each country whose average annual importations
25 into the United States within the quota were less than one

1 thousand short tons, raw value, during the years 1953 and
 2 1954 shall receive a proration equal to such average
 3 importations.

4 “(B) Each country whose average annual importations
 5 into the United States within the quota were more than one
 6 thousand short tons but less than three thousand short tons,
 7 raw value, during the years 1953 and 1954 shall receive each
 8 year two thousand tons in addition to the basic tonnages pro-
 9 rated under subparagraphs (C) or (D) hereof.

10 “(C) Each country whose average annual importations
 11 into the United States within the quota were one thousand
 12 short tons but less than two thousand short tons, raw value,
 13 during the years 1953 and 1954 shall receive a proration
 14 for 1957 equal to its average importations for the calendar
 15 years 1953 and 1954 plus 30 per centum thereof and for
 16 each calendar year subsequent to 1957 through 1960 the pro-
 17 ration for each such country shall be increased by an addi-
 18 tional 30 per centum of its proration under this subpara-
 19 graph (C) for the immediately preceding calendar year.

20 “(D) That part of the quota not otherwise prorated in
 21 subparagraphs (A), (B), and (C) above shall be prorated
 22 as follows:

Country	Per centum
Dominican Republic	37
Peru	36
Mexico	20
Nicaragua	5
Haiti	2

1 SEC. 8. Section 202 of such Act is amended by adding
2 the following new paragraph:

3 “~~(e)~~ Whenever in any year any foreign country with
4 a quota or proration thereof of more than ten thousand short
5 tons fails to fill such quota or proration by more than 10
6 per centum and at any time during such year the world
7 price of sugar exceeds the domestic price, the quota or pro-
8 ration thereof for such country for subsequent years shall be
9 reduced by an amount equal to the amount by which such
10 country failed to fill its quota or proration thereof, unless
11 the Secretary finds that such failure was due to crop disaster
12 or force majeure or finds that such reduction would be con-
13 trary to the objectives of this Act. Any reduction hereunder
14 shall be prorated in the same manner as deficits are prorated
15 under section 204.”

16 SEC. 9. ~~(a)~~ The second sentence of section 204 ~~(a)~~
17 of such Act is amended by inserting before the period at the
18 end thereof a colon and the following: “*Provided*, That any
19 deficit in any domestic sugar-producing area occurring by
20 reason of inability to market that part of the quota for such
21 area allotted under the provisions of section 202 ~~(a)~~ ~~(2)~~ or
22 the increases allotted under sections 202 ~~(a)~~ ~~(3)~~ shall first be
23 prorated to other domestic areas on the basis of the quotas
24 then in effect”.

25 ~~(b)~~ The last paragraph of section 204 ~~(a)~~ of such Act

1 is amended by inserting before the period at the end thereof
2 a semicolon and the following: "except that in the case of
3 proration of any such deficit in any domestic sugar-producing
4 area occurring by reason of inability to market that part of
5 the quota for such area allotted under and by reason of
6 section 202 (a) (2) or the increases allotted under section
7 202 (a) (3), the Secretary shall apportion the unfilled
8 amount on such basis and to such other domestic areas as he
9 determines is required to fill such deficit, and if he finds that
10 no domestic area will be able to supply such unfilled amount,
11 he shall add it to the quota for Cuba".

12 SEC. 10. Section 205 (a) of such Act is amended by
13 inserting immediately before the final sentence thereof the
14 following: "In making such allotments, the Secretary may
15 also take into consideration and make due allowance for the
16 adverse effect of drought, storm, flood, freeze, disease, in-
17 sects, or other similar abnormal and uncontrollable conditions
18 seriously and broadly affecting any general area served by
19 the factory or factories of such person."

20 SEC. 11. (a) Section 207 (a) of such Act is amended
21 by adding after the word "year" the following: ", plus an
22 amount equal to the same percentage of twenty-nine thousand
23 six hundred and sixteen short tons, raw value, that the in-
24 crease in the quota for Hawaii under section 202 is of one
25 million fifty-two thousand short tons, raw value".

1 ~~(b)~~ Section 207 ~~(b)~~ of such Act is amended by striking
 2 the period at the end thereof and by adding the following:
 3 “which shall be principally of crystalline structure, plus an
 4 amount equal to the same percentage of one hundred twenty-
 5 six thousand and thirty-three short tons, raw value, that
 6 the increase in the quota for Puerto Rico under section 202
 7 is of one million eighty thousand short tons, raw value, which
 8 latter amount may be filled by direct-consumption sugar
 9 whether or not principally of crystalline structure.”

10 SEC. 12. Section 207 ~~(h)~~ of such Act is amended by
 11 striking out “The” after “~~(h)~~” and inserting in lieu thereof
 12 “~~(1)~~ For the calendar year 1956, the” and by adding the
 13 following new paragraph:

14 “~~(2)~~ For the calendar year 1957 and each subsequent
 15 calendar year, the quota for foreign countries other than
 16 Cuba and the Republic of the Philippines may be filled by
 17 direct-consumption sugar to the extent of 1.36 per centum of
 18 the amount of sugar determined pursuant to section 201 less
 19 the sum of the quotas established in subsections ~~(a)~~ and ~~(b)~~
 20 of section 202: *Provided*, That such limitation shall not apply
 21 to countries receiving prorations under section 202 ~~(c)~~ of
 22 seven thousand short tons or less. The direct-consumption
 23 portion of such quota which is subject to the 1.36 per
 24 centum limitation referred to above shall be prorated to

1 countries which receive prorations under section 202 (c)
2 of more than seven thousand short tons on the basis of aver-
3 age imports of direct-consumption sugar within the quota for
4 the years 1951, 1952, 1953, and 1954.”

5 SEC. 13. Section 301 (b) of such Act is amended by
6 inserting after the words “(or processed)” the following:
7 “, except for livestock feed, or for the production of livestock
8 feed, as determined by the Secretary,”

9 SEC. 14. Section 302 (b) of such Act is amended by
10 inserting after “(or processed)” the words “within the pro-
11 portionate share” and by striking the period at the end thereof
12 and inserting the following: “and of the producers in any
13 local producing area whose past production has been ad-
14 versely, seriously, and generally affected by drought, storm,
15 flood, freeze, disease, insects, or other similar abnormal and
16 uncontrollable conditions. For the purposes of establishing
17 proportionate shares hereunder and in order to encourage
18 wise use of land resources, foster greater diversification of
19 agricultural production, and promote the conservation of
20 soil and water resources in Puerto Rico, the Secretary, on
21 application of any owner of a farm in Puerto Rico, is hereby
22 authorized, whenever he determines it to be in the public
23 interest and to facilitate the sale or rental of land for other
24 productive purposes, to transfer the sugarcane production
25 record for any parcel or parcels of land in Puerto Rico

1 owned by the applicant to any other parcel or parcels of land
2 owned by such applicant in Puerto Rico.”

3 SEC. 15. Section 405 of such Act is amended by in-
4 serting “(a)” at the beginning thereof and by adding the
5 following new paragraph:

6 “(b) Any person whose sugar processing operations
7 otherwise meet the requirements of section 404 (n) and who
8 subjects to such processes sugar imported or brought into the
9 continental United States under a declaration that it is
10 raw sugar but which sugar subsequently is determined to
11 be of direct-consumption quality and to be in excess of the
12 direct-consumption portion of the applicable quota or pro-
13 ration or allotment thereof, shall forfeit to the United States
14 a sum equal to 1 cent per pound for each pound, raw value,
15 of such sugar in excess of the direct-consumption portion of
16 the applicable quota or proration or allotment thereof, which
17 forfeiture shall be recoverable in a civil suit brought in the
18 name of the United States.”

19 SEC. 16. Section 407 of such Act is amended by adding
20 at the end thereof the following sentence: “The provisions
21 of this section shall not apply to persons whose services are
22 obtained pursuant to section 305.”

23 SEC. 17. Section 411 of such Act is renumbered as
24 section 412, section 412 of such Act is renumbered as sec-
25 tion 413 and a new section 411 inserted as follows:

1 “SEC. 411. The Secretary is authorized to issue such
2 regulations as may be necessary to carry out article 7 of
3 the International Sugar Agreement for the Regulation of
4 the Production and Marketing of Sugar (ratified by and
5 with the advice and consent of the United States Senate on
6 April 29, 1954), restricting importation of sugar into the
7 United States from foreign countries not participating in
8 such agreement, or to carry out the corresponding provisions
9 of any such future agreements ratified by and with the
10 advice and consent of the United States Senate.”

11 SEC. 18. Renumbered section 412 of such Act (relating
12 to termination of the powers of the Secretary under the Act)
13 is amended by striking out “1956” in each place it appears
14 therein and inserting in lieu thereof “1960”.

15 SEC. 19. A new section 414 is added to such Act as
16 follows:

17 “SEC. 414. (a) To alleviate the conditions which exist
18 in the continental United States sugar-producing areas by
19 reason of the quantities of surplus overquota sugar produced
20 in such areas, the Commodity Credit Corporation shall carry
21 out loans, purchases, or other operations with respect to
22 one hundred thousand short tons of sugar produced from the
23 1955 or previous crops in such areas.

24 “(b) Sugar acquired hereunder shall be disposed of out-
25 side the continental United States in such manner as the Cor-

1 poration determines will not unduly interfere with normal
 2 marketings of sugar, including dispositions under the Agri-
 3 cultural Trade Development and Assistance Act of 1954,
 4 as amended.

5 “(e) No borrower shall be personally liable for any
 6 deficiency arising from the sale of the sugar securing any
 7 loan made under authority of this section, unless such loan
 8 was obtained through fraudulent representations by the bor-
 9 rower. This provision shall not, however be construed to
 10 prevent Commodity Credit Corporation from requiring the
 11 borrower to assume liability for deficiencies in the quality
 12 or quantity of sugar delivered under the loan, for failure
 13 to properly care for and preserve such sugar, or for failure
 14 or refusal to deliver the sugar in accordance with the require-
 15 ments of the program.

16 “(d) Sugar acquired hereunder shall not be subject to
 17 the provisions of title II of this Act.”

18 SEC. 20. Sections 4501 (e) and 6412 (d) (relating to
 19 the termination of taxes on sugar) of the Internal Revenue
 20 Code of 1954 are amended by striking out “1957” in each
 21 place it appears therein and inserting in lieu thereof “1961”.

22 SEC. 21. Section 4502 (4), chapter (4), subchapter A,
 23 “Sugar”, of the Internal Revenue Code of 1954 is amended
 24 as follows: Strike out the parenthetical word “(Clerget)”

1 where it occurs in the first sentence and delete the second
2 sentence thereof.

3 SEC. 22. ~~(a)~~ Section 4504, chapter 37, subchapter A,
4 “Sugar”, of the Internal Revenue Code of 1954 is amended
5 by adding before the period at the end thereof the following:
6 “and except that such tax may be subject to refunds as a tax
7 under the provisions of section 6418 ~~(a)~~”.

8 ~~(b)~~ Section 6418 ~~(a)~~ of chapter 65 of the Internal Rev-
9 enue Code of 1954 is amended by striking out the “~~(a)~~”
10 immediately following “section 4501”.

11 SEC. 23. The amendments made hereby shall become
12 effective January 1, 1956, except as otherwise designated and
13 except that required determinations and regulations may be
14 issued in 1955 for the calendar year 1956.

15 *That section 101 (d) of the Sugar Act of 1948, as amended,*
16 *is amended to read as follows:*

17 “(d) The term ‘raw sugar’ means any sugars (exclusive
18 of liquid sugar from foreign countries having liquid sugar
19 quotas), whether or not principally of crystalline structure,
20 which are to be further refined or improved in quality to pro-
21 duce any sugars principally of crystalline structure or liquid
22 sugar.”

23 SEC. 2. Section 101 (e) of such Act is amended to
24 read as follows:

25 “(e) The term ‘direct-consumption sugar’ means any

1 sugars principally of crystalline structure and any liquid
2 sugar (exclusive of liquid sugar from foreign countries hav-
3 ing liquid sugar quotas), which are not to be further refined
4 or improved in quality.”

5 SEC. 3. Section 101 (i) of such Act is amended by
6 deleting the parenthetical word “(Clerget)”.

7 SEC. 4. Section 101 of such Act is amended by adding
8 at the end thereof a new paragraph to read as follows:

9 “(n) The term ‘to be further refined or improved in
10 quality’ means to be subjected substantially to the processes
11 of (1) affination or defecation, (2) clarification, and (3)
12 further purification by adsorption or crystallization. The
13 Secretary is authorized, after such hearing and upon such
14 notice as he may by regulations prescribe, to determine
15 whether specific processes to which sugars are subjected are
16 sufficient to meet the requirements of this paragraph (n)
17 and whether sugars of specific qualities are raw sugar within
18 the meaning of paragraph (d) of this section, or direct-
19 consumption sugar within the meaning of paragraph (e) of
20 this section.”

21 SEC. 5. Section 201 of such Act is amended by striking
22 in the second sentence thereof the words “1947 prior to the
23 termination of price control of sugar” and inserting in lieu
24 thereof “1947-1949”.

1 *SEC. 6. Section 202 (a) of such Act is amended to*
 2 *read as follows:*

3 *“(a) (1) For domestic sugar-producing areas by appor-*
 4 *tioning among such areas four million four hundred and*
 5 *forty-four thousand short tons, raw value, as follows:*

<i>Area</i>	<i>Short tons, raw value</i>
<i>Domestic beet sugar</i> -----	<i>1,800,000</i>
<i>Mainland cane sugar</i> -----	<i>500,000</i>
<i>Hawaii</i> -----	<i>1,052,000</i>
<i>Puerto Rico</i> -----	<i>1,080,000</i>
<i>Virgin Islands</i> -----	<i>12,000</i>

6 *“(2) To the above total of four million four hundred*
 7 *forty-four thousand short tons, raw value, there shall be*
 8 *added an amount equal to 55 per centum of the amount by*
 9 *which the Secretary’s determination of requirements of con-*
 10 *sumers in the continental United States for the calendar year*
 11 *exceeds eight million three hundred and fifty thousand short*
 12 *tons, raw value. Such additional amount shall be apportioned*
 13 *among and added to the quotas established under paragraph*
 14 *(1) of this subsection for such domestic sugar-producing*
 15 *areas, respectively, as follows: (A) The first one hundred*
 16 *sixty-five thousand short tons, raw value, or any part thereof,*
 17 *by which quotas for the domestic areas are so increased*
 18 *shall be apportioned 51.5 per centum to the domestic beet*
 19 *sugar area and 48.5 per centum to the mainland cane sugar*
 20 *area; (B) the next twenty thousand short tons, raw value,*
 21 *or any part thereof, by which such quotas are so increased*

1 shall be apportioned to Puerto Rico; (C) the next three
2 thousand short tons, raw value, or any part thereof, by
3 which such quotas are so increased shall be apportioned
4 to the Virgin Islands; (D) any additional amount shall be
5 apportioned on the basis of the quotas established in para-
6 graph (1) of this subsection as adjusted by subparagraphs
7 (A), (B), and (C) of this paragraph (2)."

8 SEC. 7. Section 202 (c) of such Act is amended by
9 striking out "For" after "(c)" and inserting in lieu thereof
10 "(1) For the calendar year 1956, for" and by adding at
11 the end thereof the following new paragraphs:

12 "(2) For the calendar year 1957 and for each subse-
13 quent calendar year for foreign countries other than the Re-
14 public of the Philippines, by prorating (A) to Cuba 96 per
15 centum and (B) to other foreign countries 4 per centum of the
16 amount of sugar, raw value, by which eight million three
17 hundred and fifty thousand short tons or such lesser amount
18 as determined pursuant to section 201 exceeds the sum of
19 four million four hundred and forty-four thousand short
20 tons, raw value, and the quotas established pursuant to
21 subsection (b) of this section; and by prorating 45 per centum
22 of the amount of sugar, raw value, by which the amount
23 determined pursuant to section 201 exceeds the sum of eight

1 million three hundred and fifty thousand short tons as
2 follows:

<i>Country</i>	<i>Per centum</i>
<i>Cuba</i> -----	33.8
<i>Peru</i> -----	4.0
<i>Dominican Republic</i> -----	2.0
<i>Mexico</i> -----	4.0
<i>Other countries</i> -----	1.2
	<hr/> 45.0

3 The above proration of 1.2 per centum to foreign countries
4 other than Cuba, the Republic of the Philippines, Peru, the
5 Dominican Republic, and Mexico shall be apportioned on
6 the basis of the apportionments to such countries under para-
7 graph (3) of this subsection.

8 “(3) For the calendar year 1957, the proration of 4
9 per centum under paragraph (2) (B) of this subsection for
10 foreign countries other than Cuba and the Republic of the
11 Philippines shall be apportioned, first, by assigning to each
12 such foreign country whose average entries within the quotas
13 during the years 1953 and 1954 were less than one thousand
14 short tons, raw value, a proration equal to its average entries
15 within the quotas during 1953 and 1954, and second, by
16 assigning to each such foreign country whose average entries
17 within the quotas during 1953 and 1954 were not less than
18 one thousand nor more than two thousand short tons, raw
19 value, a proration of three thousand short tons, raw value,
20 and third, by assigning to each foreign country whose average
21 entries within the quotas during 1953 and 1954 were not less

1 *than two thousand nor more than ten thousand short tons,*
 2 *raw value, a proration equal to the average entries from*
 3 *each such country within the quotas during 1953 and 1954,*
 4 *plus one thousand short tons, raw value, and fourth, by*
 5 *prorating the balance of such quota to such foreign countries*
 6 *whose average entries within the quotas during 1953 and*
 7 *1954 exceeded ten thousand short tons, raw value, on the*
 8 *basis of the average entries within the quotas from each such*
 9 *country for the years 1951, 1952, 1953, and 1954.*

10 *“For the calendar year 1958 and for each subsequent*
 11 *calendar year, the proration of 4 per centum under para-*
 12 *graph (2)(B) of this subsection for foreign countries other*
 13 *than Cuba and the Republic of the Philippines shall be ap-*
 14 *portioned, first, by assigning to each such foreign country*
 15 *whose average entries within the quotas during the years*
 16 *1953 and 1954 were less than one thousand short tons, raw*
 17 *value, a proration equal to its average entries within the*
 18 *quotas during 1953 and 1954, and second, by prorating*
 19 *the balance of such quota among the remainder of such*
 20 *countries on the basis of the final quotas established for such*
 21 *countries pursuant to this section for the calendar year 1957.”*

22 *SEC. 8. Section 202 of such Act is amended by adding*
 23 *the following new subsection:*

24 *“(e) Whenever in any year any foreign country with*
 25 *a quota or proration thereof of more than ten thousand short*

1 tons fails to fill such quota or proration by more than 10
 2 per centum and at any time during such year the world
 3 price of sugar exceeds the domestic price, the quota or pro-
 4 ration thereof for such country for subsequent years shall be
 5 reduced by an amount equal to the amount by which such
 6 country failed to fill its quota or proration thereof, unless
 7 the Secretary finds that such failure was due to crop disaster
 8 or force majeure or finds that such reduction would be con-
 9 trary to the objectives of this Act. Any reduction hereunder
 10 shall be prorated in the same manner as deficits are prorated
 11 under section 204."

12 SEC. 9. (a) The second sentence of section 204 (a)
 13 of such Act is amended by inserting before the period at the
 14 end thereof a colon and the following: "Provided, That any
 15 deficit in any domestic sugar-producing area occurring by
 16 reason of inability to market that part of the quota for such
 17 area allotted under the provisions of section 202 (a) (2)
 18 shall first be prorated to other domestic areas on the basis
 19 of the quotas then in effect".

20 (b) The last paragraph of section 204 (a) of such Act
 21 is amended by inserting before the period at the end thereof
 22 a semicolon and the following: "except that in the case of
 23 proration of any such deficit in any domestic sugar-producing
 24 area occurring by reason of inability to market that part of
 25 the quota for such area allotted under and by reason of

1 section 202 (a) (2), the Secretary shall apportion the
2 unfilled amount on such basis and to such other domestic
3 areas as he determines is required to fill such deficit, and if
4 he finds that no domestic area will be able to supply such
5 unfilled amount, he shall add it to the quota for Cuba”.

6 SEC. 10. Section 205 (a) of such Act is amended by
7 inserting immediately before the final sentence thereof the
8 following: “In making such allotments, the Secretary may
9 also take into consideration and make due allowance for the
10 adverse effect of drought, storm, flood, freeze, disease, in-
11 sects, or other similar abnormal and uncontrollable conditions
12 seriously and broadly affecting any general area served by
13 the factory or factories of such person.”.

14 SEC. 11. (a) Section 207 (a) of such Act is amended
15 by adding after the word “year” the following: “, plus an
16 amount equal to the same percentage of twenty-nine thousand
17 six hundred and sixteen short tons, raw value, that the in-
18 crease in the quota for Hawaii under section 202 is of one
19 million fifty-two thousand short tons, raw value,”.

20 (b) Section 207 (b) of such Act is amended by striking
21 the period at the end thereof and by adding the following:
22 “which shall be principally of crystalline structure, plus an
23 amount equal to the same percentage of one hundred twenty-
24 six thousand and thirty-three short tons, raw value, that
25 the increase in the quota for Puerto Rico under section 202

1 *is of one million eighty thousand short tons, raw value, which*
2 *latter amount may be filled by direct-consumption sugar*
3 *whether or not principally of crystalline structure.”.*

4 *SEC. 12. Section 207 (h) of such Act is amended by*
5 *striking out “The” after “(h)” and inserting in lieu thereof*
6 *“(1) For the calendar year 1956, the” and by adding the*
7 *following new paragraph:*

8 *“(2) For the calendar year 1957 and each subsequent*
9 *calendar year, the quota for foreign countries other than*
10 *Cuba and the Republic of the Philippines may be filled by*
11 *direct-consumption sugar to the extent of 1.36 per centum of*
12 *the amount of sugar determined pursuant to section 201 less*
13 *the sum of the quotas established in subsections (a) and (b)*
14 *of section 202: Provided, That such limitation shall not apply*
15 *to countries receiving prorations under section 202 (c) of*
16 *seven thousand short tons or less. The direct-consumption*
17 *portion of such quota which is subject to the 1.36 per*
18 *centum limitation referred to above shall be prorated to*
19 *countries which receive prorations under section 202 (c)*
20 *of more than seven thousand short tons on the basis of aver-*
21 *age imports of direct-consumption sugar within the quota for*
22 *the years 1951, 1952, 1953, and 1954.”*

23 *SEC. 13. Section 301 (b) of such Act is amended by*
24 *inserting after the words, “(or processed)” the following:*

1 “, except for livestock feed, or for the production of livestock
2 feed, as determined by the Secretary,”.

3 SEC. 14. Section 302 (b) of such Act is amended by
4 inserting after “(or processed)” the words “within the pro-
5 portionate share” and by striking the period at the end there-
6 of and inserting the following: “and of the producers in any
7 local producing area whose past production has been ad-
8 versely, seriously, and generally affected by drought, storm,
9 flood, freeze, disease, insects, or other similar abnormal and
10 uncontrollable conditions. For the purposes of establishing
11 proportionate shares hereunder and in order to encourage
12 wise use of land resources, foster greater diversification of
13 agricultural production, and promote the conservation of
14 soil and water resources in Puerto Rico, the Secretary, on
15 application of any owner of a farm in Puerto Rico, is hereby
16 authorized, whenever he determines it to be in the public
17 interest and to facilitate the sale or rental of land for other
18 productive purposes, to transfer the sugarcane production
19 record for any parcel or parcels of land in Puerto Rico
20 owned by the applicant to any other parcel or parcels of land
21 owned by such applicant in Puerto Rico.”.

22 SEC. 15. Section 405 of such Act is amended by in-
23 serting “(a)” at the beginning thereof, by striking out “(a)”

1 and “(b)” and inserting in lieu thereof “(1)” and “(2)”,
2 respectively, and by adding the following new subsection:

3 “(b) Any person whose sugar processing operations
4 otherwise meet the requirements of section 101 (n) and
5 who subjects to such processes sugar imported or brought
6 into the continental United States under a declaration that
7 it is raw sugar but which sugar subsequently is determined
8 to be of direct-consumption quality, shall forfeit to the
9 United States a sum equal to 1 cent per pound for each
10 pound, raw value, of such sugar in excess of that part of
11 the direct-consumption portion of the applicable quota or
12 proration or allotment thereof remaining unfilled at the time
13 of such determination, which forfeiture shall be recoverable
14 in a civil suit brought in the name of the United States.”

15 SEC. 16. Section 407 of such Act is amended by adding
16 at the end thereof the following sentence: “The provisions
17 of this section shall not apply to persons whose services are
18 obtained pursuant to section 305.”.

19 SEC. 17. Section 411 of such Act is renumbered as
20 section 412, section 412 of such Act is renumbered as sec-
21 tion 413, and a new section 411 inserted as follows:

22 “SEC. 411. The Secretary is authorized to issue such
23 regulations as may be necessary to carry out article 7 of
24 the International Sugar Agreement for the Regulation of
25 the Production and Marketing of Sugar (ratified by and

1 with the advice and consent of the United States Senate on
2 April 29, 1954), restricting importations of sugar into the
3 United States from foreign countries not participating in
4 such agreement, or to carry out the corresponding provisions
5 of any such future agreements ratified by and with the
6 advice and consent of the United States Senate.”

7 SEC. 18. Renumbered section 412 of such Act (relating
8 to termination of the powers of the Secretary under the Act)
9 is amended by striking out “1956” in each place it appears
10 therein and inserting in lieu thereof “1962”.

11 SEC. 19. Sections 4501 (c) and 6412 (d) (relating to
12 the termination of taxes on sugar) of the Internal Revenue
13 Code of 1954 are amended by striking out “1957” in each
14 place it appears therein and inserting in lieu thereof “1963”.

15 SEC. 20. Section 4502 (4), chapter 37, subchapter A,
16 “Sugar”, of the Internal Revenue Code of 1954 is amended
17 as follows: Strike out the parenthetical word “(Clerget)”
18 where it occurs in the first sentence and delete the second
19 sentence thereof.

20 SEC. 21. (a) Section 4504, chapter 37, subchapter A,
21 “Sugar”, of the Internal Revenue Code of 1954 is amended
22 by adding before the period at the end thereof the following:
23 “, and except that such tax may be subject to refunds as a tax
24 under the provisions of section 6418 (a)”.

25 (b) Section 6418 (a) of chapter 65 of the Internal

1 Revenue Code of 1954 is amended by striking out the "(a)"
 2 immediately following "section 4501".

3 SEC. 22. Except as otherwise provided, the amendments
 4 made hereby shall become effective as of January 1, 1956,
 5 except that sections 1 through 4 shall become effective upon
 6 publication in the Federal Register of regulations imple-
 7 menting such sections, or six months after the date of enact-
 8 ment of this Act, whichever is earlier.

Passed the House of Representatives July 30, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

Passed the Senate with an amendment February 8,
 1956.

Attest:

FELTON M. JOHNSTON,

Secretary.



84TH CONGRESS
2^D SESSION

H. R. 7030

AN ACT

To amend and extend the Sugar Act of 1948, as amended, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 1956

Ordered to be printed with the amendment of the
Senate

H. R. 6703. An act to authorize the sale of certain land in Alaska to Victor Power, of Juneau, Alaska; and

H. R. 7513. An act to direct the Secretary of the Interior to grant an extension of time to the Matanuska Valley Lines, Inc., and to Russell Swank and Joe Blackard within which to apply for patent to certain lands in Alaska; to the Committee on Interior and Insular Affairs.

H. J. Res. 517. Joint resolution changing the date for the counting of the electoral votes in 1957; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were referred to the Committee on the Judiciary:

H. Con. Res. 201. Concurrent resolution approving the granting of the status of permanent residence to certain aliens; and

H. Con. Res. 202. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 8, 1956, he presented to the President of the United States the following enrolled bills:

S. 1352. An act for the relief of A. J. Crozat, Jr.; and

S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

EXPENDITURE OF FUNDS BY SPECIAL INTEREST GROUPS IN CONNECTION WITH A FEDERAL ELECTION

Mr. GOLDWATER. Mr. President, last Friday in Detroit a decision which had little attention in the national press was handed down on the matter of the expenditure of funds by special interest groups in connection with a Federal election. This decision will be of great importance to the citizens of the United States, and, I venture to say, will also be a matter of important concern to the Congress.

This decision was handed down in connection with a Federal grand jury indictment of a labor union for spending general union funds on television programs broadcast to the general public in support of certain candidates for Federal office. The union, in its brief, did not deny such funds had been spent as specified in the indictment. The court, nevertheless, held that existing law did not prohibit such activity on the part of this special interest group.

What does this decision mean to the average voting citizen in the United States, and especially what does it mean to labor union members? If it means that unions may now consider it legal to spend union dues money on radio and television programs, as well as other campaign expenses without limit, we may well ask ourselves what chance the rest of the citizens—or for that matter, any other special interest group in this country—will have when faced by such a group as we find in the new union merger which controls the dues money of more than 15 million members in this country.

Recent substantial studies indicate that the annual dues collected in this country run about \$500 million. If only 10 percent of this money were allocated to political purposes, it would mean a slush fund amounting to \$50 million annually. Does anyone suppose that the citizens of this country would be able to resist the political force which can be generated with such an overwhelming fund? Or does anyone suppose that certain union leaders who have already shown a strong desire to use their muscles on the American political scene can now be expected to show any reasonable restraint in the use of such funds? This decision in Detroit last Friday opens the door for the influencing of Federal elections by special interest groups which can make the wide-open corruption developed 50 years ago by the use of corporate funds seem trifling by comparison.

This situation, I submit, calls for an immediate review of the law pertaining to Federal elections in order to protect the individual rights and freedoms of citizens of the country, as well as to insure that members of labor unions will not be compelled, as the price of holding a job, to support, through their union dues, candidates or parties which they personally would oppose.

In this connection, I would like to insert into the RECORD at this point an article from the Washington Star of February 4, 1956. This Associated Press dispatch says, briefly, that the senior Senator from the State of Michigan [Mr. POTTER], who represents the State most concerned at present with the result of this decision, believes that Congress will have to rewrite the Federal Corrupt Practices Act as a result of this ruling.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of February 4, 1956]

POTTER SAYS RULING VOIDS CORRUPT PRACTICES ACT

Senator POTTER, Republican, of Michigan, said today that Congress "will have to rewrite the Corrupt Practices Act" if a Federal judge's ruling dismissing a charge against the United Auto Workers union is upheld.

Federal Judge Frank A. Picard threw out of court in Detroit yesterday a charge that the UAW had used members' dues illegally to finance television and radio programs of political candidates.

"The expenditures charged in this indictment are not prohibited by the act," the judge ruled. He said the union was "exercising the right of free speech." There was no immediate decision on an appeal.

The case was the keystone of a drive by Chairman GOLDWATER of the Republican Senatorial Campaign Committee and others against what Senator GOLDWATER called the "massive use of political slush funds" by unions in election campaigns.

Union leaders have scoffed at Senator GOLDWATER's charges, which have been echoed by Senator KNOWLAND, of California, the Senate minority leader.

The UAW admitted spending money for political purposes, but questioned the law's constitutionality.

Without ruling on that contention, Judge Picard said the law does not prohibit the action charged against the union. He said the Supreme Court, on appeal, "may determine otherwise, and may at that time decide upon the law's constitutionality."

Emil Mazey, secretary-treasurer of the UAW, commented "We are glad to see that Judge Picard has upheld the Bill of Rights."

The Detroit case grew out of charges by Michigan Republican leaders that the union had used funds for support of Democratic candidates in 1954 when Senator BERGSON, Republican of Michigan, was defeated for reelection by Senator McNAMARA, Democrat.

Senator POTTER said in an interview that if Picard's ruling is upheld by the Supreme Court "that means the end of the Corrupt Practices Act."

"If unions can use their dues to make political contributions, there is no reason why corporations can't use their stockholders' money for the same purpose," he said. "In my judgment, neither should be permitted to use money collected from members or stockholders against the will of some of the people from which the money came."

Mr. GOLDWATER. Objective university studies have shown that more than 40 percent of the union members in this country in 1952 voted for a Republican President. Yet the union dues of most of this 40 percent were being appropriated by certain union leaders to finance the campaigns of candidates which these same union members, as individuals, were opposing at the polls.

I want to emphasize, however, that this is not a partisan issue. The question of whether a union member is a Republican or a Democrat is not the first consideration. We know that in important regions of this country the Republican Party rarely, if ever, elects a candidate. In these regions there is a situation equally dangerous to political freedom. Yes, in these areas, dues money collected from union members is being used to support certain candidates in the Democrat primaries, in spite of the fact that union members, as individuals, may be opposing these candidates at the polls. What can be more degrading to a free citizen than to be compelled, in order to earn a livelihood, to pay the campaign expenses of political candidates whom he, as a citizen, opposes at the polls?

This, I repeat, is not a partisan issue. Union members who are of Democrat conviction, as well as those who are of Republican conviction, are being abused equally by this situation where union dues are being used to support candidates which the individual union member personally would oppose.

Going beyond the matter of parties entirely, there is the still further question of the appropriateness of an economic organization, like a union, being engaged in politics at all. Other large economic organizations, such as corporations, have been prevented—and I think rightly so—from engaging in such political practices. Substantial studies of undisputed integrity have shown that a very high proportion of union members do not believe that the union ought to engage in politics at all. Study after study has shown that this attitude is widespread throughout the country. I do not intend today to detail these studies and what they show, but I shall do so at a later time. Suffice it to say that many millions of Republican union members are being abused and their political rights made a mockery by this practice. Equally so, many millions of Democrat union members are being com-

pelled to support, through their dues money, candidates in Democrat primaries whom they as individual voters oppose at the polls. Beyond this partisan matter, I repeat, stands the question of the principle involved in permitting enormous economic aggregates to transform their economic power into political power in the face of the fact that a great many union members do not believe that influencing elections is an appropriate activity for labor union officials. Yes, many union members of years of faithful union activity—men who believe completely in the legitimate economic aims of unions—are, at the same time, profoundly convinced that their organization should not be transformed into a political instrument. Several weeks ago 3 Michigan men—2 of them members in good standing of the same union which has just been given a green light in Detroit—came all the way to Washington at their own expense to appeal for help against this political abuse.

All this would be dangerous enough if we did not have the added factor of compulsory membership in unions. But what can we say of a situation in a State like Michigan, for example, where the overwhelming majority of wage earners are compelled to belong to unions in order to hold a job, yet, where the general union dues, at the same time, are being used to support candidates for Federal office both in Federal elections and in Federal primaries. What can we say of a situation where a man must, in order to hold his job, pay, through his union dues, for the campaign expenses of candidates in either party whom he, as an individual, would oppose at the polls.

In the case under recent consideration in Michigan, the brief presented by the politically ambitious union officials agrees that the present law does not protect minorities within the union. I submit, if such is the case, the law ought to be changed.

President Eisenhower has said only recently that "the rights of minorities holding differing social, economic, and political views, must be scrupulously protected and their views accurately reflected."

The junior Senator from Nebraska [Mr. CURTIS] has introduced a bill, S. 3074, in which I was happy to join him, the purpose of which is to protect the wage earner in his political rights. The recent judicial decision in Detroit shows how great is the need for such legislation.

THE PRESIDENT'S MESSAGE ON THE IMMIGRATION AND NATURALIZATION ACT

Mr. LEHMAN. Mr. President, I should like to inquire whether the President's message on immigration has been read to the Senate.

The PRESIDING OFFICER. The President's message has not been read.

Mr. LEHMAN. Mr. President, I have read the message, which has been distributed to all the Members of the Senate. There are many important suggestions and some good recommendations in it.

I am very happy that the President in his message has recognized the validity and necessity of the battle which I have been carrying on for so many years against the unfair national origins quota system. In his message the President said:

Experience in the postwar world demonstrates that the present national-origins method of admitting aliens needs to be re-examined, and a new system adopted which will admit aliens within allowable numbers according to new guidelines and standards.

That statement recognizes the fact that the national origins quota system must be discarded and a new system set up. In legislation now before the Congress, I have proposed such a system which I believe is practicable, humane, and in accord with the democratic traditions of America.

I ask unanimous consent to have a statement which I have prepared, commenting on the President's message, made a part of my remarks at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

I am glad to welcome President Eisenhower into the ranks of those seeking a really substantial revision of the McCarran-Walter Act. His recommendations are better and more comprehensive than I had expected. He has come a considerable way down the road I and others have been pointing out for the last 4 years.

I regret, however, that he has taken no cognizance whatever of the discriminatory features of the McCarran-Walter Act dealing with citizenship and the invidious distinctions made in the law between native-born and naturalized citizens.

I urge and invite the President, since he has come this far in recognizing the faults in the McCarran-Walter Act, to come the rest of the way with those of us who have been urging a complete overhaul of the act.

While the President agrees that the national origins quota system needs to be superseded—which is progress in itself—he recommends only that the matter be studied. It has been studied enough. I have a proposal to replace it which is perfectly consistent with the guide marks which President Eisenhower has set forth in his message. I think the pooling of unused quotas is a palliative which, while it would represent progress, is certainly not the final answer.

I am not opposed to any one of the President's recommendations. I just think there should be more of them. I look forward to seeing the bill which I assume will be submitted to carry out the President's recommendations. I commend to the President the bill which I and 15 others have introduced in the Senate, which is thoroughly consistent with the spirit of the recommendations and observations made by him in his message today.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona will state it.

Mr. GOLDWATER. Are we still in the morning hour?

The PRESIDING OFFICER. The morning hour has ended.

The unanimous-consent agreement which is applicable at this time will be read.

The agreement was read, as follows:

Ordered, That, effective on Wednesday, February 8, 1956, at the conclusion of routine morning business, during the further consideration of the act, H. R. 7030, to amend and extend the Sugar Act of 1948, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

Mr. CAPEHART. Mr. President, on behalf of myself and the Senator from Rhode Island [Mr. GREEN], I modify my amendment, and I send the modification to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 17, beginning with line 8, it is proposed to strike out all of section 7 and insert in lieu thereof the following:

SEC. 7. Section 202 (c) of such act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:

"(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating to Cuba 96 percent and to other foreign countries 4 percent of the amount of sugar, raw value, by which 8,350,000 short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of 4,444,000 short tons, raw value, and the quotas established pursuant to subsection (b) of this section; and by prorating to Cuba 60 percent and to other foreign countries 40 percent of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of 8,350,000 short tons plus the increase in quotas provided for in subsection (a) (2) of this section.

"For the calendar year 1957, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than 1,000 nor more than 2,000 short tons, raw value, a proration of 3,000 short tons, raw value, and, third, by prorating the balance of such quota to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded 2,000 short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

"For the calendar year 1958 and for each subsequent calendar year, the quota for foreign countries other than Cuba and the

Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by prorating the balance of such quota among the remainder of such countries on the basis of the final quotas established for such countries pursuant to this section for the calendar year 1957."

Mr. CAPEHART. Mr. President, I assign myself 3 minutes.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SMATHERS. I should like to ask the Senator from Indiana whether he does not believe we should have a quorum call before he proceeds, in view of the importance of his amendment.

Mr. CAPEHART. I have no objection, provided the time for the quorum call is not taken out of my time.

Mr. SMATHERS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, and that the time consumed in calling the quorum be not charged to either side.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. Suppose it takes 30 minutes to develop a quorum?

Mr. SMATHERS. The time would not come out of the time allotted to either side on the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. I wish to have it clear in my mind. As I understand, the request is that the time taken in calling the roll is not to be charged to either side. Is that correct?

Mr. SMATHERS. The time would be charged to neither side.

Mr. CAPEHART. Suppose it takes an hour to develop a quorum. What will the situation then be?

Mr. SMATHERS. The Senator would have just as much time to speak then as he would have had without a quorum call.

The PRESIDING OFFICER. The Senator would still have 30 minutes on his side.

Mr. CAPEHART. Even though it might take 2 hours to develop a quorum, would each side still have 30 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. CAPEHART. With that understanding, I have no objection to a quorum call.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The secretary will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Capehart	Ellender
Allott	Carlson	Ervin
Anderson	Case, N. J.	Flanders
Barkley	Case, S. Dak.	Frear
Barrett	Chavez	Fulbright
Beall	Clements	George
Bender	Cotton	Goldwater
Bennett	Curtis	Gore
Bible	Daniel	Green
Bricker	Dirksen	Hayden
Bridges	Douglas	Hennings
Bush	Duff	Hickenlooper
Butler	Dworshak	Hill
Eyrd	Eastland	Holland

Hruska
Humphrey
Ives
Jackson
Jenner
Johnston, S. C.
Kennedy
Kerr
Kilgore
Knowland
Kuchel
Langer
Lehman
Long
Magnuson
Malone
Mansfield

Martin, Iowa
Martin, Pa.
McCarthy
McClellan
McNamara
Monroney
Morse
Mundt
Murray
Neely
Neuberger
O'Mahoney
Pastore
Payne
Potter
Robertson
Russell

Saltonstall
Schoeppel
Scott
Smathers
Smith, Maine
Sparkman
Stennis
Symington
Thurmond
Thye
Watkins
Welker
Wiley
Williams
Young

The PRESIDING OFFICER. A quorum is present. The Senate from Indiana has the floor.

Mr. CAPEHART. Mr. President, I yield myself 2 minutes on the amendment.

The amendment is recommended by the administration as being a fair and equitable way of handling the situation. The amendment differs from the so-called Smathers bill or the bill reported by the committee only in respect to provisions of the bill whereby Cuba is given a quota of 33.8 percent of the increased usage of sugar in the future. None of the proposals changes the amount of sugar which Cuba will export to the United States, according to the basic conception which has existed for many years. They have to do only with the increased sugar usage in the future.

The bill we are amending calls for a quota of 33.8 percent to Cuba. The bill which was passed by the House gives Cuba 25 percent. The amendment offered by the Senator from Rhode Island [Mr. GREEN] and me would give Cuba 27 percent, or 2 percent more than the House gave.

We would take 6.8 percent, which is the difference between 27 percent and 33.8 percent, and allocate it among all the other nations. Under the amendment the small nations—the 4 or 5 nations which have been selling only 1,000 or 2,000 tons a year—would automatically be allotted 3,000 tons. All the other nations would then be given a quota based upon their historical quotas or shipments in the years 1951, 1952, 1953, and 1954.

In the opinion of the Department of State and of the administration itself, this is a fair and equitable way to proceed, because it will treat every nation on an equal basis. The nations which have had an allotment of about 1,000 tons will each be allotted 3,000 tons. That would be fair and equitable, according to those who are in a better position to understand the workings of the situation than we in the Senate are. They are dealing with the problem every day, and they are negotiating with the exporting countries not only with respect to sugar but with respect to many other commodities. In their opinion, this is the best and most equitable way in which to proceed.

I stress the point that we are taking away from Cuba nothing that Cuba had in the past. Cuba will still continue to receive an allotment of approximately 96 percent of all our sugar imports.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BENNETT. Cuba has today 96 percent of the tonnage necessary to meet the increased consumption caused by the growth in population, but not 96 percent of the total imports. Cuba's percentage of the total imports is about 33 percent, including the 96 percent of the growth she has had since 1948.

Mr. CAPEHART. That is correct.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CHAVEZ. Under the formula contained in the amendment, what will be the reduction for Mexico?

Mr. CAPEHART. The reduction for Mexico will be to approximately 1.9 percent.

Mr. CHAVEZ. What would that amount to in tons?

Mr. ELLENDER. Mr. President, will the Senator from Indiana yield, so that I may answer the question?

Mr. CHAVEZ. No; I want the Senator from Indiana to answer.

Mr. CAPEHART. I do not think I have that information at hand.

Mr. CHAVEZ. Does not the bill itself, as reported by the Committee on Finance, provide for 4 percent; and under the Senator's formula, would it not be reduced to 1.9 percent?

Mr. CAPEHART. The bill I am trying to amend gave Mexico 4 percent.

Mr. CHAVEZ. That is correct.

Mr. CAPEHART. Under my proposal, Mexico would be given 1.9 percent. But it must be kept in mind that the 1.9 percent is more than Mexico received in the past. It is more than they have been exporting to the United States. But even that amount would be according to the historical shipments during the past years. In other words, we would be treating Mexico exactly the same as we would treat Peru.

Mr. CHAVEZ. If, as the State Department representatives say, the allotments have been inequitable, why should they have been inequitable?

Mr. CAPEHART. Under my amendment, we shall be treating Mexico exactly the same as we would treat Peru.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, I yield myself 2 additional minutes.

Peru and the other countries are being treated on the same basis as Mexico is treated. They are being treated the same, percentagewise, using the same historic formula.

Mr. CHAVEZ. I am complaining about the historic formula. The officials of the State Department would like to have that formula forgetting all the so-called good will and the sermonizing about how much we love Latin America.

Mr. CAPEHART. Why does the Senator from New Mexico want to increase Mexico's quota and decrease Peru's quota?

Mr. CHAVEZ. I do not want to decrease Peru's quota.

Mr. CAPEHART. That is what the bill from the Finance Committee does.

Mr. CHAVEZ. I do not think it does.

Mr. CAPEHART. It certainly does.

Mr. CHAVEZ. The bill from the committee gives Peru a pretty good part of what is contained in the bill. From 1.4 percent for Peru, it was raised to 4 percent. The Dominican Republic had an increase from 1 to 2 percent.

Mr. CAPEHART. According to the State Department and the administration, my amendment represents the historic and fair and practical way to do it. The Senator understands that there are only so many tons allowed in the quotas. If the quotas of some countries are raised more than those of others, then some tonnage is going to be taken away from those whose quotas are not raised.

Mr. CHAVEZ. I disagree with the Senator from Indiana that the administration knows what the State Department officials are trying to do to the administration by this amendment.

Mr. KERR. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. KERR. I wish to ask a question, because either I misunderstood the Senator, or he is wrong, or I am wrong about what is in the bill. I understood the Senator to say that under his amendment Cuba would continue to get what she has been getting, 96 percent of the increase. Is that correct?

Mr. CAPEHART. We do not change the past historic arrangement.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

We are talking about only increased usage of sugar in the United States in years to come. The House gave Cuba 25 percent. My amendment would give Cuba 27 percent. The bill which we are attempting to amend would give Cuba 33.8 percent.

Mr. KERR. Cuba has had 96 percent, and the Finance Committee bill would reduce it to a little more than 33 percent.

I also understood the Senator from Indiana to say that under his amendment Mexico would continue to get what she has been getting, and Peru would continue to get what she has been getting. Is that correct?

Mr. CAPEHART. Percentagewise, I think that is correct.

Mr. KERR. Peru would get 8.9 percent under the Senator's amendment; would she not?

Mr. CAPEHART. Peru would get how much?

Mr. SMATHERS. Eight and three-tenths percent.

Mr. KERR. Is that correct; I ask the Senator from Indiana?

Mr. CAPEHART. My amendment would give Cuba 27 percent. Foreign nations are to get 45 percent. My amendment would grant Cuba 27 percent and all the other nations 18 percent, and that 18 percent, according to the State Department, except as regards small nations which will automatically get 3,000 tons, will be divided up in proportion

to the percentage of sugar which they have been shipping into this country over the period 1951 to 1954.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. KERR. I do not wish to get into an argument with the Senator; I was merely trying to get the RECORD clear. I helped write the bill in committee. Either I do not know what is in it, or the Senator from Indiana is mistaken as to what is in it. I know he does not want to leave the discussion on that basis.

Mr. CAPEHART. I want to be perfectly fair. If I am in error, I hope someone will correct me.

Mr. KERR. Under the present law, Peru and other nations in a similar position receive 4 percent of the increase, because Cuba is getting 96 percent of the increase and the rest of the nations 4 percent.

Mr. CAPEHART. In the first place, the foreign nations receive 45 percent. We are dividing up only the 45 percent.

Mr. KERR. The Senator from Indiana is talking about the bill before the Senate, and I am talking about the existing law.

Mr. CAPEHART. Cuba receives 96 percent of the increase since 1948.

Mr. KERR. That is the existing law.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. KERR. Under the committee version, Mexico's quota was raised from 1.9 to 4 percent. What was Peru given under the bill?

Mr. SMATHERS. The committee moved Peru's quota from 1.9 percent up to 4 percent.

Mr. KERR. It was raised to 4 percent. How much of an increase did Mexico receive?

Mr. SMATHERS. Mexico's quota was raised from 1.9 to 4 percent. Peru and Mexico would now receive the same.

Mr. KERR. The bill would give Peru and Mexico not only the same amount each has been receiving, but each of them would get an equal amount of the increase.

Mr. CAPEHART. The amendment I have just offered would give the domestic growers 55 percent, and would give Cuba 27 percent, the Dominican Republic 4.9 percent, Mexico 1.9 percent, Peru 8.4 percent, and all others 2.8 percent. The bill we are seeking to amend gives domestic growers 55 percent, Cuba 33.8 percent, the Dominican Republic 2 percent, Mexico 4 percent, Peru 4 percent, and all others 1.2 percent.

Mr. KERR. That is the point the Senator from Oklahoma was trying to make clear. The Finance Committee, in writing the bill, gave Peru and Mexico the same amount. Under the amendment offered by the Senator from Indiana, we would give Peru four times as much as we would give Mexico.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

In answer to the Senator from Oklahoma, I say the reason for that is that Peru has been shipping that much more sugar to the United States.

Mr. KERR. Regardless of the reason, that is a fact.

Mr. CAPEHART. We are trying to be fair and to treat all nations alike by permitting them to ship sugar to the United States in the same percentage they had enjoyed historically in the past. Why anyone should object to that policy, I cannot imagine.

Mr. KERR. Cuba has been getting 96 percent, and the Senator is proposing to give her 27 percent, so how could it be said that she is being treated the same as before?

Mr. CAPEHART. Perhaps I should have said that all countries except Cuba were being treated the same. Much as I admire and like Cuba, I do not think we should legislate for only one nation's sake, because a number of Latin American nations are involved, and one is as important as the other.

Mr. KERR. I agree with the Senator from Indiana in his latter statement, but I do not think the first part of his statement is correct when Peru is being given better treatment than Mexico.

Mr. CAPEHART. They are being treated exactly alike, percentagewise.

Mr. LONG. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. LONG. I believe I can help the Senator clear up the confusion over the figures to which he has referred. Starting back in 1948, just after the war, Cuba at that time had been receiving 27 percent of the sugar-market of the United States. That is what she was getting in 1948. But there were deficits as of that time. We had certain obligations with regard to Cuba left over from the war, so we agreed that for the next 8 years Cuba would get 96 percent of all the increases there would be in the quota for all foreign nations, arising from increased consumption in the United States.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. LONG. Cuba got a quota of 96 percent of all the increases in imports due to increases in domestic consumption for 8 years. At the end of 8 years, her quota of 27 percent of our market had increased to 33 percent. The State Department now says we have met our obligation to Cuba in that regard, and now desires to return to the historic formula we followed in 1948, under which Cuba had been receiving 27 percent.

Mr. CAPEHART. Which the Senator from Louisiana favors.

Mr. LONG. That is what the Senator is recommending. I shall vote for it. The State Department has said that if we start horse trading and playing one country against the other, we will have all enemies and no friends, that the best course is to take a formula which it can be agreed is fair and in accordance with our historic usage of sugar.

Mr. CAPEHART. The able Senator from Louisiana is correct. I believe he is a member of the Finance Committee.

Mr. LONG. Yes.

Mr. CHAVEZ. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. CHAVEZ. In answer to the Senator from Louisiana, I wish to say that we are making an enemy of our closest neighbor. The activities of the International House in New Orleans will be futile if the proposal now made shall be adopted.

Mr. SMATHERS. Mr. President, how much time remains to each side?

The PRESIDING OFFICER. The Senator from Indiana has 13 minutes remaining. The opposition has the full 30 minutes remaining.

Mr. SMATHERS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. BARKLEY. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. BARKLEY. Before the debate on this amendment is over, I should like to have at least 5 minutes.

Mr. SMATHERS. I shall be happy to see that the Senator from Kentucky does.

Mr. BARKLEY. In fact, I might want 1 or 2 minutes more, if available.

Mr. SMATHERS. Yes.

Mr. President, as has been evidenced already this afternoon, there is some confusion in respect to the bill and particularly to the 45 percent of the increased consumption of sugar which goes to the so-called offshore countries.

For the benefit of the Senate, I may say that the Finance Committee wrestled with this particular problem, just as the Senate has done today. However, the Finance Committee wrestled with it for several days. The committee heard all the testimony given by the various representatives of the various countries. After hearing all the testimony and listening to all the arguments, and after having had the matter explained by the representatives of the various countries, who pointed out what the proposal would do to the respective economies of their countries if their quotas were shifted either up or down, the committee finally voted for what we now call the committee bill. The Senator from Indiana is now trying to change the bill by means of his amendment, as modified.

What the committee bill did was to give every full-duty country an increase in its quota of sugar shipped into the United States.

Mr. BENNETT. Mr. President, will the Senator from Florida yield for a correction?

Mr. SMATHERS. I yield.

Mr. BENNETT. The committee voted for the bill which was reported, and the committee voted against what we call the committee print. That is the action which was taken by the committee. However, the Senator from Florida just said that the committee finally voted for the committee print. He meant to say, I am sure, that the committee re-

jected the committee print, and voted to report a different bill.

Mr. SMATHERS. I accept that correction; the Senator from Utah is correct.

Mr. President, the measure before the Senate today, providing for the distribution of 45 percent to offshore countries is the one which we would like to have passed, because it is the bill for which the committee voted after much deliberation of the many problems involved.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield for a moment to me?

Mr. SMATHERS. Mr. President, first I should like to finish my preliminary statement, and then I shall be glad to yield.

We attempted to give to every one of these countries an increase in its quota; and that is what we have done.

Under the present law, Cuba was receiving 96 percent of the increased consumption. Under the bill before us we reduced her quota all the way down to 33.8 percent. This is certainly a sizable reduction. Six years from today the change will cost Cuba approximately 618,000 tons. But that is done in order to be fair. So, Mr. President, instead of leaving Cuba's quota at 27 percent, as had originally been recommended in what we call the Bennett committee print, we increased Cuba's quota to 33.8 percent. However, let it be remembered that Cuba's quota of the increased consumption still is being cut from 96 percent to 33 percent.

Under the present act, Peru is receiving a quota of 1.9 percent of our increased consumption. In the bill, that quota is increased to 4 percent. In other words, we have increased Peru's quota a little more than two times; but we must remember that Peru had her quota tripled as recently as 1953.

We are asked, "Why should we do any more for Peru?" Very frankly, Mr. President, Peru is a fine country, as I think all of us recognize. Peru has a diversified economy. Her economy is not a one-crop economy, as in the case of Cuba; but, on the contrary, Peru has petroleum and other agricultural products besides the production of sugar. Let us also remember, as we act to increase Peru's quota for the shipment of sugar into the United States, that today Peru does not have a surplus, and does not have lying fallow ground which previously was used for the production of sugar. Inasmuch as the Peruvian share was tripled as recently as 1953, the proposed allocation to Peru under the bill before us will be 6 times larger in 1957 than it was in 1952. Unlike Cuba, which is today carrying a tremendous sugar surplus of 1,400,000 tons, Peru's exports of sugar have been the greatest on record in volume and value, according to an official report of the United States Department of Commerce. In fact Peru is at the present time enjoying a period of record prosperity. Under the bill Peru is treated justly and fairly. It is impracticable to justify an even bigger share as proposed in the Capehart amendment.

Let us also remember that Peru is approximately 4,000 nautical miles from

the United States. So if we ever become involved in a conflict, we cannot say—as we can say as regards Mexico and Cuba—that Peru is close enough to our shores so as really to do us some good in an emergency.

Any further increase in the Peruvian share of the annually growing American market would only serve to stimulate construction of new or expanded sugar producing facilities in Peru, which has no sugar surplus, at the very time when there is a large world surplus. This unquestionably would be especially harmful to Cuba, which is presently suffering from a severe cut in sugar production and widespread unemployment.

Mr. ANDERSON. Mr. President, at this point will the Senator from Florida yield to me?

Mr. SMATHERS. I am glad to yield to the Senator from New Mexico.

Mr. ANDERSON. Is it not true that during the last war we did not have to worry about the submarine menace, insofar as obtaining supplies of sugar was concerned, because we could bring sugar from Cuba to the United States?

Mr. SMATHERS. That is correct. I hope that during the debate the Senator from New Mexico will tell us about his experiences as Secretary of Agriculture, when he had to ask Cuba to increase her sugar production in order that American housewives would have sufficient sugar for the canning of peaches and other fruits and commodities.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. CAPEHART. Is it not a fact that the House committee and the House as a whole had before them exactly the facts the Senator from Florida has stated, but their conclusion was that the quota for Cuba should be 25 percent—not the 27 percent called for by my amendment, and not 33.8 percent, but 25 percent—and is it not a further fact that the House committee heard from the same witnesses and had before it the same facts and the same figures that our Finance Committee has had before it?

Mr. SMATHERS. Mr. President, two wrongs obviously do not make a right. But the Finance Committee heard all the testimony and, after due deliberation, finally reported a bill which provides for what I regard as a very fair proportion of distribution for all these countries.

Mr. KERR. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. KERR. The Finance Committee even had before it the action of the House Ways and Means Committee, did it not?

Mr. SMATHERS. It certainly did, and it decided that it should be amended.

With respect to the Dominican Republic, the present act gives her a quota of 1 percent. In the Finance Committee's bill, that quota is increased to 2 percent—in other words, an increase of 100 percent.

In the case of Mexico, which under the present act has a quota of only 0.4 percent, the committee voted to increase her quota to 4 percent. The committee did so because today Mexico, among all the

Latin American countries, is the second largest sugar producer at the moment. Moreover, Mexico is the third best customer of the United States. In 1954 Mexico's unfavorable balance of trade with the United States amounted to approximately \$300 million. The Senator from Utah does not like to agree with me as to that; but I checked it this morning with the Department of Commerce, and again they say that is the fact.

In any event, Mexico is our third best customer, and is the nearest sugar-producing country to the United States. So we believe that Mexico has some basis for requesting a quota of somewhat more than 0.4 percent, and for requesting a quota at least as large as that of Peru. Mexico is the second largest sugar producer of all of the Latin American countries. Her production among them is exceeded only by that of Cuba. In the event of a catastrophe or war—which we hope we shall not experience—the United States will have close to her sugar producing countries on which she can rely. The committee considered all of these factors and in setting Mexico's share at 4 percent of the increased consumption has in my opinion dealt fairly with the situation.

Mr. CHAVEZ. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I am glad to yield.

Mr. CHAVEZ. Is it not correct to say that Mexico is the only one of the sugar producing countries that is contiguous to us and does not have to depend upon shipments by water? For instance, in the case of Peru, water shipments of more than 4,000 miles are required.

Mr. SMATHERS. Of course, the Senator from New Mexico is correct.

In regard to Cuba, let me say that I think the junior Senator from New Mexico [Mr. ANDERSON] will in a moment be able to tell the Senate more than I can tell it about our obligation to Cuba. I can merely say that Cuba was receiving 96 percent of our increased consumption. She is the only country whose quota will be reduced at all by the bill. Every other country will receive a sizable increase in quota; Cuba is the only one whose quota is being reduced.

As I pointed out yesterday, the Sugar Act is a complicated piece of legislation. The committee's bill for amending and extending the act is necessarily also complicated. It, after careful consideration, reported out a bill, which is fair and equitable to all areas supplying the United States with sugar as anything which could be devised, which would be consistent with the sugar policy of the United States, established and maintained for over 20 years, and our overall national interest. It provides for a very substantial participation by our own domestic industry in the increases in consumption in the United States, which will result from the continuing growth of our population. The fairness and wisdom of the approach to a very difficult problem, I submit, is amply demonstrated by the unqualified endorsement which has been given the bill by distinguished Senators on both sides of the aisle. I urge the Senate to defeat the Capehart amendment and sustain the considered action of the Senate Finance

Committee by supporting the bill as report to the Senate.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield to me? Mr. SMATHERS. I yield.

Mr. CAPEHART. Until 1948, Cuba had a quota of only 27 percent; but now the committee proposes that Cuba's quota be restored to what it was before she got the subsequent increase in her sugar quota.

Mr. SMATHERS. I would appreciate it if the Senator would check with the Department experts who are seated in the Chamber, in order that they may give him the facts and figures accurately.

Today Cuba has a surplus of about 1,400,000 tons of sugar. She is the only country in the Western Hemisphere, except the United States, which has a surplus. At the present time she has 500,000 people unemployed. At the present time she has a deficit of some \$676 million. Ninety percent of the money which we pay to her for sugar comes back to the United States to be spent here. Cuba is our fifth best customer.

Cuba is also one of the countries which have joined in the international sugar agreement. All those countries work together to reduce the surplus. Peru has not seen fit to do so. So it seems to me that the recommendation of the committee is the fairest compromise which could be made. The committee deliberated over this particular problem for a long time. It considered what was the fair thing to do. I can assure Senators that the bill in its present form is the result of very careful consideration of the testimony which was given by representatives of all the interests involved. We believe that it is the fairest compromise which could be made in a very delicate situation in which we hope not to offend the heads of any of our good neighbors in Latin America.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Does the Senator from Indiana wish to yield back his time?

Mr. CAPEHART. I shall be very happy to yield back all my remaining time if the other side will yield back its time.

Mr. SMATHERS. Mr. President, I yield 6 minutes to the Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. Mr. President, a day or two ago I tried to say that I am very much interested in trying to do simple justice to a people who did a very fine job for us. I have been greatly interested in the fact that again we are here fighting the battle for Cuba.

Everyone learned, during World War II, that because of the geographical location of Cuba we could quickly call upon her to expand her sugar production, and allow certain areas in the United States to produce other types of food needed by the Armed Forces. There can be no argument on that score. The records of the Department of Agriculture are full and complete. I hope the Senate will not adopt the Capehart amendment and strike again at the people to whom we had to turn.

The other day I presented to the Senate the chart which I constructed at the time I was dealing with the Cubans and trying to buy their sugar. I was trying to find out what they had done during the period of the war. The record is clear. The black segment at the top represents the production which came from the Philippines. When, because of the attack on the Philippines, they were entirely cut off from supplying sugar to the United States, the supply came from Cuba.

Someone may ask why sugar production could not have been expanded in certain areas in the United States. We were calling upon the American farmer for an increased supply of food and fiber. We were not going to ask him to produce something which could be advantageously produced in a neighboring friendly country.

Because of the short distance between Cuba and the United States, there was no danger. There were submarines on the eastern shore, but so far as I know, we did not lose a single cargo of sugar. We might have lost a small shipment or two, but the submarine menace did not succeed in stopping the flow of sugar to the United States.

When the Military Establishment and the Office of Production Management had not been able to obtain the blackstrap molasses and the alcohol they needed, and when representatives of the Department of Agriculture had been negotiating with Cuba for more than 12 months in an effort to obtain two crops of Cuban sugar, and those negotiations had failed, it was my privilege to go to Cuba and meet with the President of Cuba and with representatives of the Cuban producers, and to plead with them to stand by their friend. At the suggestion of the President of the United States, his Cabinet, and representatives of large industries in the United States, I said to them that if Cuba would stay with us during the period of the war, we would never forget it. That is, we would never forget it until we got ready to pass another bill and give the business to Peru. I am not ready to do that.

The Cuban Government turned over to the United States two entire crops of sugar. I had not intended to refer to this fact, but the Cubans turned over the sugar at a price of slightly more than 4 cents. At that time there was Peruvian sugar floating in what might be called the black market. I was Chairman of the Food Board at that time. We could not get our hands on Peruvian sugar, because the world market price was sufficiently high so that it flowed out at higher prices.

Mr. President, I think we have an obligation to stand by a country which stood by us and furnished sugar for American housewives in a time of emergency. We should not turn away from that country and say, "We do not remember you any more." I do not think it is right. I would be disappointed if the Congress were to take the position of saying to Cuba, which once made her production freely available to us, which expanded its plant, and which now is forced to realize that it has a surplus in excess of requirements, "We are going

to cut your allotment further. We remembered you for a few years. If we ever need you again, we will make a new set of promises to you, but those promises will also be forgotten."

Mr. President, I do not believe any representative of the Cuban sugar industry has come to call upon me. I regard that as a compliment, because it is an indication that they feel that they do not need to remind me of what took place.

At the time the effort was made to buy Cuban sugar, all kinds of influences were trying to make Cuba hold it away from the United States. Cuba did not yield to such influences. We called upon Cuba, and Cuba said, "We will give it to you. You have been our good friend."

Let us remember that every dollar we turn over to Cuba for sugar comes back to the United States for agricultural products. They buy wheat, rice, and other products. If we are not ready to deal with them, I think we are very shortsighted, at a time when we have a surplus of agricultural commodities.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. ANDERSON. Mr. President, may I have 1 minute more?

Mr. SMATHERS. Mr. President, I yield 1 additional minute to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I think of our sister Republic to the south, which has developed a great many agricultural products. Not only is Mexico contiguous, but it has been, and remains, our very staunch friend. I would be disappointed, indeed, if the Senate were to forget that fact when we are dealing with sugar quotas.

I am not trying to cut down the market of a single American producer. I do not intend that the market of a farmer in a single State shall be cut down. But there is such a thing as living up to our commitments. When we brought those millions of tons of sugar into the United States from Cuba there was not a single Senator who did not believe that we should remember our obligation to Cuba. I hope we will remember it now.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Does the Senator from Indiana yield back the remainder of his time?

Mr. CAPEHART. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Indiana has 13 minutes.

Mr. CAPEHART. How much has the Senator from Florida?

The PRESIDING OFFICER. The Senator from Florida has 13 minutes remaining.

Mr. SMATHERS. Mr. President, I yield 5 minutes to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, the entire question of sugar is so complicated that no one who is not an expert on sugar can speak about it with any degree of authority.

I am confronted with 2 or 3 alternatives, as I suppose most other Senators are. The House passed a bill which re-

duced the quota of Cuba with respect to increased importations in the future. It has no effect on the present law, but with respect to the increase in the consumption of sugar in the United States, Cuba is reduced from 96 to 25 percent in the House bill.

The so-called committee print, which was largely prepared by the Senator from Utah [Mr. BENNETT] after consultation with representatives of the various departments, provided for a reduction from 96 to 27 percent.

The amendment which was adopted by the committee, and which had been offered by the Senator from Florida [Mr. SMATHERS], provided for a reduction of Cuban quotas from 96 to 33 percent, and also redistributed the quotas for other importers of sugar into the United States.

When that amendment was offered in committee, I listened to the arguments for and against it. I had to leave the committee before a vote was taken. I left my vote with the Senator from Virginia, the chairman of the committee, to vote for the Smathers amendment. In doing so my main object was to help Cuba. I thought it was a rather drastic reduction from 96 percent, although temporary, from 1948 on. I felt it was a rather drastic reduction, and I voted for the amendment, or left my vote for the amendment, largely because it increased the Cuban quota from 27 percent in the so-called committee print, or 25 percent in the House bill, to 33 percent. I did not realize fully what it did in regard to the other countries. Whether I would have voted for it anyway, I am not certain, and I do not say.

I should like to vote for an amendment which would still give Cuba 33 percent and redistribute the balance among the other countries. However, there is no such amendment pending in the Senate, and, frankly, I am not sufficiently acquainted with the economic situation in each country to offer an amendment myself which would make a proper distribution among the other countries.

If we pass the bill as reported, it will give the conferees a broader field in which to adjust the differences. If we adopt the amendment offered by the Senator from Indiana [Mr. CAPEHART], the conferees will be limited to a decision between 25 percent, as provided in the House bill, and 27 percent, as provided in the committee print. Therefore, the conferees would have a wider field of compromise or settlement if the committee bill as now reported should be passed.

I believe also it would give the conferees a wider field in regard to the other countries, and—if I am mistaken about this I should like to have the chairman of the committee or the Senator from Florida or the Senator from New Mexico correct me—the committee bill as reported would not only give the conferees wider jurisdiction with regard to Cuba, but would also give them a more flexible field with regard to the other countries and, therefore, the conferees could work out a fair and just arrangement among them. Is that correct?

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. KERR. Mr. President, I may say to the Senator from Kentucky that his statement is not correct?

Mr. BARKLEY. It is not correct?

Mr. KERR. It is not correct.

Mr. BENNETT. The effect of the passage of the Senate committee bill would practically eliminate any conference on the status of Mexico, because the House would give Mexico 5 percent. The bill as reported gives Mexico 4 percent. That would be the limit of adjustment for Mexico, between 4 and 5 percent. Practically, that would be the result.

Mr. BARKLEY. In that regard, Mr. President, I should like to say that I am a great friend of Mexico, and always have been, and I hope our friendly relations with that country will continue.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. SMATHERS. Mr. President, I yield an additional 2 minutes to the Senator from Kentucky.

Mr. BARKLEY. I am happy over our relationship with Mexico, and I want that relationship not only to continue, but to continue to improve. However, I cannot overlook the fact that, insofar as Cuba is concerned, sugar is the one great product upon which her economy is based, whereas sugar is only a small proportion of the economy of Mexico.

I do not believe our relationship with Mexico would be strained or very much affected by a difference between 4 percent and 5 percent. I realize the delicate problem which confronts the Department of State in trying to keep an even keel in this regard in our diplomatic relations. However, as between the provisions of the bill as reported by the Committee on Finance, and the amendment offered by the Senator from Indiana [Mr. CAPEHART], I feel it my duty to vote for the bill as reported, and therefore against his amendment, because I believe the amendment would involve the conferees in the entire field of sugar importations, whereas the bill as reported would enable them to deal with the problem in a way which would preserve our feeling of obligation toward a nation which in every crisis in the last half century has been on our side, and permit all the other countries to share in a new way with the American farmer and the American customer.

Therefore, for those reasons, Mr. President, I shall feel compelled to vote against the amendment of the Senator from Indiana, although I should like to vote for an amendment which would leave Cuba in the same position she is now, and leave the other nations to further negotiation. However, we do not have such an amendment before us.

Mr. CAPEHART. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. CAPEHART. How much time does the opposition have remaining?

The PRESIDING OFFICER. The Senator from Florida has 6 minutes remaining.

Mr. CAPEHART. Mr. President, I hold in my hand a chart which shows the number of tons—

The PRESIDING OFFICER. Would the Senator from Indiana advise the Chair how much time he is yielding to himself?

Mr. CAPEHART. I yield myself 3 minutes. I hold in my hand a chart which shows the number of tons which each country will have in the year 1962, the year in which the law will expire. Cuba will have 3,077,610 tons. All other countries will have 296,140 tons.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. First, I wish to read into the Record the countries involved. They are the Dominican Republic, Mexico, Nicaragua, Peru, Haiti, Costa Rica, Formosa, the Netherlands, Panama, Belgium, British Guiana, Canada, Hong Kong, the United Kingdom, and El Salvador. Those are 15 or 20 countries which will have less than 10 percent.

No one has a finer regard and respect for Cuba than I have. In fact, I have great respect and admiration for all Latin-American countries. Therefore, I cannot quite understand the argument of some Senators, inasmuch as Cuba will get 3,077,610 tons, and all the other countries will get only 296,000 tons.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. What is the argument about? Why do we not give the other countries a little more?

Mr. ANDERSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield; and, if so, to whom?

Mr. CAPEHART. I yield first to the Senator from Minnesota.

Mr. THYE. Mr. President, my question is, What percentage increase is given to Cuba over and above its previous allowance?

Mr. CAPEHART. Cuba gets exactly the same percentage she had up until 1948, at which time she was getting a 96-percent increase.

Mr. THYE. I should like to ask one further question. As I understand, then, Cuba is not in any different situation now than she was in previous years. Is that correct?

Mr. CAPEHART. Cuba, in 1956, will get 2,886,000 tons, and in 1962 she will get 3,077,610 tons. She will have a 27-percent increase in the usage of sugar in the United States under my amendment, and under the House bill she will get a 25-percent increase.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SMATHERS. I am sure the Senator from Minnesota will be interested to know what would happen is that Cuba, which since 1948 has been getting 96 percent, would now be reduced to 33 percent.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself such time as I may require. Cuba had 27 percent in 1948. Is that correct?

Mr. SMATHERS. The Senator is correct.

Mr. CAPEHART. In 1948 Cuba was increased to 96 percent, for good reasons, I am certain. What we are doing now—

Mr. SMATHERS. That is not correct, if I may interrupt the Senator.

Mr. BENNETT. She was increased to 96 percent of the increase.

Mr. SMATHERS. She got 33 percent of the total.

Mr. CAPEHART. Yes; that is correct. It was not 96 percent of the total, but 96 percent of the increased consumption.

Mr. SMATHERS. Of the increased consumption; that is correct.

Mr. CAPEHART. That is correct.

SEVERAL SENATORS. Vote! Vote!

Mr. SMATHERS. Mr. President, I shall be happy to yield to the Senator from Oklahoma 3 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. KERR. Mr. President, I think the following facts should be borne in mind by the Senate:

First, the committee bill which is before the Senate gives the domestic producers everything they asked.

Second, the committee bill would reduce what Cuba has been getting from 96 percent of the increase to 33.8 percent, and the domestic producers would receive 55 percent.

Third, under the committee bill, Peru would get 4 percent of the increase, which is twice as much as she has been getting, or a little more than that. Mexico would get 4 percent of the increase, the same as Peru. The Dominican Republic would go from 1 percent of the increase to 2 percent; the other countries from 0.7 to 1.2 percent.

Those figures were arrived at because, first, we wanted to give the producers what they desired; second, we felt that Cuba was entitled to more than she would be given under the bill as it passed the House; third, we did not think we should permit Peru to go from a small amount up to 8 percent of the increase, when our neighbor to the south, Mexico, was held to less than half that amount.

So, Mr. President, we equalized Mexico and Peru insofar as their percentage of the increase was concerned. We lifted Cuba's percentage. We did so because of all these countries, Cuba had the greatest call on us and the greatest need. All the other nations have a better trade-balance position than has Cuba. They all have a more greatly diversified economy.

So, with those considerations before the committee, we wound up by giving Peru and Mexico all they had been receiving in the past, and identically the same percentage of the increase. We increased the percentage of Cuba; we increased that of the Dominican Republic; we increased the others, and also gave the domestic producers that which they asked. It seemed to us that we were not only giving the domestic producers everything they asked, but, as nearly as possible, doing justice as between our neighbors on the south.

Mr. CAPEHART. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. CAPEHART. We gave Mexico five times what she is receiving now, did we not?

Mr. KERR. We did not feel that Peru was entitled to get any more of the increase than was Mexico, and basically, we let each one continue to have the relative part of the market it had.

Mr. CAPEHART. Mr. President, I am delighted to see all of them get as much as they can, but the position of the administration and that of the State Department is that they should be treated on an equal basis.

Mr. KERR. No; the position of the State Department is that Cuba should be ravaged for the benefit of Peru; and we were not going to give it all to Peru.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, I yield myself 1 minute to say that we do not do much ravaging when one country receives 3 million tons a year and the other receives 137,000 tons. I would not call that ravaging.

The PRESIDING OFFICER. Does the Senator from Indiana wish to yield back his time at this point?

Mr. CAPEHART. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. CAPEHART. How much time does the opposition have?

The PRESIDING OFFICER. The Senator from Florida has 3 minutes remaining.

Mr. CAPEHART. I should be very happy to yield back my time if the able Senator from Florida will yield his time. Thereafter, we can immediately have a quorum call, and then, after that, vote without further debate.

The PRESIDING OFFICER. The Senator from Indiana yields back the remainder of his time—

Mr. CAPEHART. I said, provided—

The PRESIDING OFFICER. On condition that the Senator from Florida yields back the remainder of his time.

Mr. SMATHERS. Mr. President, if we are to have a quorum call I think it would be better to reserve our time so that we may be able to explain the situation to Senators who were not present during the discussion.

Mr. CAPEHART. I cannot agree to that, Mr. President.

The PRESIDING OFFICER. The Senator from Indiana declines to yield back the remainder of his time?

Mr. CAPEHART. I decline to yield back the remainder of my time except on the basis that at the conclusion of the quorum call we may immediately vote. I understand the Senator from Florida does not agree to that.

Mr. SMATHERS. I will agree if the Senator from Indiana yields back the remainder of his time.

Mr. CAPEHART. First, I yield myself 1 minute. I hold in my hand a statement showing that 14 countries will receive only 296,000 tons. That is the increase which will be effective in the year 1962. At that time Cuba's tonnage will be 3,077,610 tons.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. KNOWLAND. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana on behalf of himself and the Senator from Rhode Island.

Mr. CAPEHART. Mr. President, it seems to me that there is a failure to have a little cooperation here, which is very interesting. What is the idea? Is it the intention to have a quorum call? How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes remaining.

Mr. CAPEHART. How much time does the opposition have?

The PRESIDING OFFICER. The Senator from Florida now has 3 minutes.

SEVERAL SENATORS. Vote! Vote!

Mr. CAPEHART. Is it in order to have a unanimous-consent agreement to have a quorum call and vote immediately after the quorum call?

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Is it not a fact that any Senator at any time can make the point of order that there is not a quorum present?

The PRESIDING OFFICER. The Chair is advised that a Senator can make such a request if all the time has been used and he can receive unanimous consent.

Mr. BARKLEY. Where there is an agreement entered into for the limitation of debate, no Senator can exercise his right to make a point of no quorum unless all the time has expired?

The PRESIDING OFFICER. He can do so by unanimous consent.

Mr. BARKLEY. Mr. President, I ask unanimous consent that I may make the point of order that a quorum is not present.

Mr. LONG. Mr. President, I object.

Mr. KNOWLAND. Mr. President, out of the time on the bill, I suggest the absence of a quorum.

Mr. CAPEHART. Reserving the right to object, what is the Senator's request.

Mr. BARKLEY. The Senator from California controls the time on the bill; does he not?

Mr. CAPEHART. No, he does not.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bennett	Byrd
Allott	Bible	Capehart
Anderson	Bricker	Carlson
Barkley	Bridges	Case, N. J.
Barrett	Bush	Case, S. Dak.
Beall	Butler	Chavez

Clements	Humphrey	Murray
Cotton	Ives	Neuberger
Curtis	Jackson	O'Mahoney
Daniel	Jenner	Pastore
Douglas	Johnston, S. C.	Payne
Duff	Kennedy	Potter
Dworshak	Kerr	Robertson
Eastland	Kilgore	Russell
Ellender	Knowland	Saltonstall
Ervin	Kuchel	Schoeppel
Flanders	Langer	Scott
Frear	Lehman	Smathers
Fulbright	Long	Smith, Maine
George	Magnuson	Sparkman
Goldwater	Malone	Stennis
Gore	Mansfield	Symington
Green	Martin, Iowa	Thurmond
Hayden	Martin, Pa.	Thye
Hennings	McCarthy	Watkins
Hickenlooper	McClellan	Welker
Hill	McNamara	Wiley
Holland	Morse	Williams
Hruska	Mundt	Young

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, on the pending amendment, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. Does the Senator from Florida yield back the remainder of his time?

Mr. SMATHERS. Mr. President, does the Senator from Indiana yield back the remainder of his time?

Mr. CAPEHART. I merely want to say that the administration is in favor of the amendment on which we are about to vote, and which I was asked to offer. I cannot quite understand why it is desired to give a couple of countries a greater allotment and to reduce the allotment of others. I do not know why it is not desired to treat all countries alike. However, that is a question for the Senate to determine; it is not a peculiar concern of mine. Nevertheless, I cannot quite understand that viewpoint.

Mr. LONG. Mr. President, will the Senator yield 1 minute to me?

Mr. CAPEHART. I yield 1 minute to the Senator from Louisiana.

Mr. LONG. The amendment offered by the Senator from Indiana represents the foreign policy of the administration. I do not always support the administration, as many Senators know. However, the amendment is important. It has been strenuously advocated by the State Department, and I understand it to be in accordance with the policy of the President of the United States.

It seems to me that an amendment of this consequence, especially one which undertakes to assert the position of all except a minority of 7 of the 15 members of the committee, is at least entitled to the significance of a yea-and-nay vote in the Senate. Therefore, I ask that the yeas and nays be ordered on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Indiana yield back the remainder of his time?

Mr. CAPEHART. I will yield back the remainder of my time on the condition that immediately there will be a yea-and-nay vote.

The PRESIDING OFFICER. Does the Senator from Florida yield back the remainder of his time?

Mr. SMATHERS. Mr. President, I should like to yield 2 minutes to the distinguished Senator from New Mexico.

Mr. ANDERSON. Mr. President, I do not wish to go over the story I have already told, except to say that the Senate, regardless of any statements of foreign policy, ought to stay with our friends.

Cuba did a job for this country when almost every business requiring sugar was about to close down. Those persons who had soft drink establishments sent telegram after telegram saying, "Get some sugar. Get some sugar." We got the sugar from Cuba; we did not get it from the other countries. We should not forget our friends.

I say to Senators who represent the farm States where sugar beets are grown that if it is sought to jeopardize the bill by adopting this amendment, the next amendment might be one to reduce the time to 1 year. Give the bill a chance to operate.

I do not agree with everything in the bill as it came from the committee. But certainly I will not agree with it if we are to cut off the country which stood with us and shipped us millions of tons of sugar at a control price of only 4 cents, when they could have got 10 or 15 cents in the free markets of the world. I say it is not fair to go back on that kind of a friend, and Congress must not permit it. We must not allow that to happen. We must stand by Cuba. The Committee on Finance was entrusted with the responsibility of reporting a good bill, and has done so. I shall stand with the committee.

Mr. CAPEHART. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Indiana has 2 minutes remaining.

Mr. CAPEHART. My opinion is that all Latin American countries stood by us. Mexico stood by us; Peru stood by us. I, for one, do not particularly appreciate the statement that other countries in the Western Hemisphere did not stand by us.

I hold in my hand the hearings, in which a statement was made, as appears on page 382, that the reason why we did not get sugar from Peru during the war was that there were no ships to carry the sugar; it was not because Peru did not have sugar.

I am fighting for what I think is right. I think we ought to treat our friends to the south equally. I agree Cuba should have the lion's share, and she does have the lion's share.

The able Senator from New Mexico has been threatening that if the amendment is agreed to, States which produce sugar will suffer, and that there will be a filibuster against the amendment. I dislike that kind of tactics. I think they are unnecessary, and I think it is uncalled for in the United States Senate to threaten a filibuster or say that something may happen to the so-called sugar States in the United States. I, for one, do not like it.

Mr. ANDERSON. I think the Senator ought to be a little careful with his language.

Mr. CAPEHART. The Senator said a while ago something might happen and that the time in the bill might be cut down to a year.

Mr. ANDERSON. I think the amendment, if adopted, would be a bad law, and I would have a right to propose amendments to a bad bill.

Mr. CAPEHART. The Senator does not have any right to threaten a filibuster when he knows we have an agreement not to transact business after tonight for a week. I want the RECORD to be clear that we wish to decide the bill on its merits, and not by threats and counterthreats that we are going to have a filibuster and that certain States in the United States will suffer as a result of the enactment of the bill, because I, for one, have a great respect for all Latin-American countries, and I do not put one above the other. We need them, and they need us.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

The Chair recognizes the Senator from Florida.

Mr. SMATHERS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Florida has 1 minute remaining.

Mr. SMATHERS. I shall be happy to yield 1 minute to the chairman of the Finance Committee.

Mr. BYRD. Mr. President, on behalf of the Senate Committee on Finance, I merely wish to state that the question of sugar allotments was a most difficult one to determine. After the most careful consideration the committee decided upon the allotments provided in the pending bill. Every South American country received an increase in allotment, but Cuba will not get as large an increase as she has had in the past.

The Finance Committee believes the distribution provided in the pending bill is equitable, in view of all the conditions existing.

Mr. President, I hope the amendment offered by the Senator from Indiana [Mr. CAPEHART] will be rejected.

The PRESIDING OFFICER. All time for debate on the amendment has expired.

The yeas and nays have been ordered, and the clerk will call the roll.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. The vote will be on the so-called Capehart amendment, will it not?

The PRESIDING OFFICER. The vote will be on the Capehart amendment, as modified.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment, as modified, offered by the senior Senator from Indiana [Mr. CAPEHART], on behalf of himself and the senior

Senator from Rhode Island [Mr. GREEN], which will be stated.

The amendment was, on page 17, beginning with line 8, to strike out all of section 7 and to insert in lieu thereof the following:

SEC. 7. Section 202 (c) of such act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:

"(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating to Cuba 96 percent and to other foreign countries 4 percent of the amount of sugar, raw value, by which 8,350,000 short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of 4,444,000 short tons, raw value, and the quotas established pursuant to subsection (b) of this section; and by prorating to Cuba 60 percent and to other foreign countries 40 percent of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of 8,350,000 short tons plus the increase in quotas provided for in subsection (a) (2) of this section.

"For the calendar year 1957, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than 1,000 nor more than 2,000 short tons, raw value, a proration of 3,000 short tons, raw value, and, third, by prorating the balance of such quota to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded 2,000 short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

"For the calendar year 1958 and for each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by prorating the balance of such quota among the remainder of such countries on the basis of the final quotas established for such countries pursuant to this section for the calendar year 1957."

The PRESIDING OFFICER. All time for debate on the amendment has expired, the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KILGORE (when Mr. NEELY's name was called). My colleague [Mr. NEELY] is unavoidably absent on official business, holding hearings in Pennsylvania, before the Senate Committee on Labor and Public Welfare. He has asked me to announce that if he were present, he would vote "nay."

Mr. PASTORE (when his name was called). On this vote I have a pair with the distinguished senior Senator from Texas [Mr. JOHNSON]. If the Senator from Texas were present and voting, he

would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

I further announce that if present and voting the Senator from Oklahoma [Mr. MONRONEY], and the Senator from West Virginia [Mr. NEELY] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BENDER] and the Senator from New Jersey [Mr. SMITH] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from Connecticut [Mr. PURTELL] are necessarily absent.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness.

If present and voting, the Senator from Illinois [Mr. DIRKSEN], and the Senator from Connecticut [Mr. PURTELL] would each vote "yea."

On this vote the Senator from Ohio [Mr. BENDER] is paired with the Senator from Colorado [Mr. MILLIKIN]. If present and voting, the Senator from Ohio would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 30, nays 56, as follows:

YEAS—30

Aiken	Duff	Malone
Beall	Ellender	McCarthy
Bennett	Fulbright	Payne
Bricker	Green	Saltonstall
Bridges	Holland	Schoeppel
Butler	Ives	Smith, Maine
Capehart	Jenner	Thye
Carlson	Knowland	Watkins
Case, N. J.	Langer	Wiley
Cotton	Long	Williams

NAYS—56

Allott	Goldwater	McClellan
Anderson	Gore	McNamara
Barkley	Hayden	Morse
Barrett	Hennings	Mundt
Bible	Hickenlooper	Murray
Bush	Hill	Neuberger
Byrd	Hruska	O'Mahoney
Case, S. Dak.	Humphrey	Potter
Chavez	Jackson	Robertson
Clements	Johnston, S. C.	Russell
Curtis	Kennedy	Scott
Daniel	Kerr	Smathers
Douglas	Kilgore	Sparkman
Dworshak	Kuchel	Stennis
Eastland	Lehman	Symington
Ervin	Magnuson	Thurmond
Flanders	Mansfield	Welker
Frear	Martin, Iowa	Young
George	Martin, Pa.	

NOT VOTING—10

Bender	Millikin	Purtell
Dirksen	Monroney	Smith, N. J.
Johnson, Tex.	Neely	
Kefauver	Pastore	

So the amendment, as modified, was rejected.

Mr. LEHMAN. Mr. President, I call up my amendment which is identified as "1-31-56—A," and request its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 16, line 15, it is proposed to strike out all after the colon through line 7 on page

17 and insert in lieu thereof the following:

(A) The first 188,000 short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 45.2 percent to the domestic beet area; 42.6 percent to the mainland cane area; 10.6 percent to Puerto Rico; and 1.6 percent to the Virgin Islands; and (B) any additional amount shall be apportioned on the basis of the quotas established in paragraph (1) of this subsection as adjusted by clause (A) of this paragraph (2).

Mr. LEHMAN. Mr. President, the proposed amendment is a very simple one. It proposes only that in allocating any increase in the sugar quota which might come about as a result of an increase in domestic consumption above 8,350,000 short tons per year, Puerto Rico be given the minimal share agreed on in the House of whatever amount is allocated to the domestic areas.

It was the purpose in both Houses to relieve the surplus stock situation in the domestic areas suffering crop restriction. Puerto Rico, as already stated, is the domestic area where crop restriction has been most rigorously and continuously applied under sugar legislation since 1934. There is no just basis for omitting Puerto Rico from this minimal sharing of 10.6 percent.

I propose that we adopt the House allotment, so that the first 188,000 tons of any increase in domestic consumption will be allocated as follows: 42.6 percent to the mainland cane areas, 45.2 percent to the domestic beet areas, 10.6 percent to Puerto Rico, and 1.6 percent to the Virgin Islands.

Under the bill reported by the Senate Finance Committee, neither Puerto Rico nor the Virgin Islands would share in the first increment of increase for domestic areas if there is an increase in domestic consumption. All of the first 165,000 tons allocated to domestic producers would be divided between the mainland cane area and domestic beet sugar area on a basis of 48.5 percent and 51.5 percent, respectively.

Puerto Rico and the Virgin Islands would not get any quota increase unless and until the quota increase for the domestic areas exceeded 165,000 tons.

I believe this formula is unjustifiably discriminatory against Puerto Rico. There is considerable doubt as to whether the domestic areas will, in fact, get more than 165,000 additional tons for a considerable number of years to come. Puerto Rico is thus left out in the cold.

Mr. President, I have been interested in the question of sugar legislation for a number of years. My concern with this legislation goes to many facets, including its implications for our foreign relations, its effect on labor standards, the necessity of providing safeguards for the sugar producers and the refining industries in the United States, and the interest of the consumers. But I have been particularly concerned with the especially discriminatory treatment accorded Puerto Rico.

Last year when the sugar bill was debated on the closing day of the session, I stated in the RECORD that I had serious

reservations concerning the treatment accorded Puerto Rico under the terms of the bill as it stood at the time. I have many more misgivings concerning the bill which is pending in the Senate today.

Puerto Rico is a part of the United States. Its residents are citizens, although they have no voting representation in Congress. It is therefore a special obligation on each of us to pay particular attention to any legislation which may directly affect the American citizens of Puerto Rico.

Sugar is a very important part of the economy of this island. The discriminations in the amount of raw sugar which can be shipped to the mainland result in severe economic hardships on these people. The Bell committee report recognized this discrimination in its report in 1953. And I include an excerpt on this point as exhibit I at the conclusion of my remarks.

Representatives of the Department of the Interior testified before the House Committee on Agriculture in favor of an increase both in the raw sugar quota for Puerto Rico and in the refined or direct-consumption quota last year when this bill was before the House. I will include excerpts from this testimony as exhibit II at the end of my remarks.

Looking back into history, we find that President Roosevelt, in signing the sugar bill in 1937, recognized the discriminatory nature of the terms of that bill in dealing with Puerto Rico, and noted that he had been given assurances by Members of the Congress—some of whom are still serving in the Senate—that these unfortunate discriminations would be removed in future legislation.

To this day—almost 20 years later—this situation remains relatively unchanged. Exhibit III contains the statement of President Roosevelt made in signing the 1937 Sugar Act.

Mr. President, I wrote to the Senator from Virginia [Mr. BYRD], chairman of the Senate Finance Committee, requesting that his committee give consideration to the two amendments I am proposing today. Unfortunately, my letter to him arrived after the committee had completed action on the bill. Therefore, my amendments did not receive specific consideration by the committee. I include as exhibit IV the exchange of letters with the chairman of the Senate Finance Committee.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a letter from the Governor of Puerto Rico supporting these amendments, and outlining the background of inequitable treatment accorded Puerto Rico over the years.

I also request unanimous consent to include at this point in my remarks a sample selection of the telegrams and letters I have received from many varied groups and individuals in Puerto Rico. I hope the United States Senate will heed the pleas of these people.

There being no objection, the letters and telegrams were ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF PUERTO RICO,
OFFICE OF THE GOVERNOR,
La Fortaleza, San Juan, January 31, 1956.
Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR LEHMAN: Thank you for sending me a copy of your letter to Senator BYRD.

In regard to the refined sugar issue, I made my position clear in a TV broadcast from New York on October 2, 1955. I said that it was an error to prohibit any community by law from converting its home produced raw materials into a final industrial product. Such prohibitions, I pointed out, are vestiges of 18th century colonial policy and should be abolished. However, I also pointed out that we did not wish to injure the long established sugar refining communities on the east coast, and, therefore, only ask for a share of the increased annual consumption. It is gratifying to see from your letter that you support our position, by pointing out that Puerto Rico should be permitted to ship as refined sugar any increase specified by the law in its basic raw sugar quota. I note that the Department of Interior also supported our position in public hearings on the sugar bill last year. I hope the Senate will adopt your amendment.

I am completely at a loss to understand the denial by the Senate Finance Committee of the small participation granted Puerto Rico by the House bill (10.6 percent) in the first increase of 188,000 tons of sugar above the base figure of 8,350,000 tons. From the hearing record, I understand that this decision rested on the fact that we received a quota adjustment—very much belated—in the 1951 legislation. It seems to have been overlooked that the increase in our quota of 170,000 tons, though enacted in 1951, did not become effective until 2 years later, so that we bore the burden of severe crop restriction several years before mainland sugar was subject to restrictions. Furthermore, our continental friends have consistently ignored the prior "take-out" by them during the 1934-48 period of 700,000 tons over and above parity of treatment with Puerto Rico. The original quota for Puerto Rico was based on marketings of 3 years prior to the quota system. The same standard applied to the mainland would have given it a 1,600,000 tons quota. Actually the total fixed was 1,817,000 tons at the level of consumption at that time of 6,476,000 tons. In the 1937 act, this total was increased by 159,000 tons to take care of the mainland, bringing it up to 1,976,000 tons. In the 1948 act, the figure was again increased for the mainland to 2,300,000 tons. Puerto Rico's quota was then increased for the first time since 1934 from around 800,000 tons to 910,000 tons. We do not believe it is fair to begin with the 1953 increase in our quota.

I hope that the House provision will be restored, as you have urged in your letter.

Please be assured of our deep appreciation of your efforts to obtain fair treatment for the Commonwealth.

With best personal regards,

Cordially yours,
LUIS MUÑOZ-MARÍN,
Governor.

SAN JUAN, P. R.

In the name of 20,000 sugarcane growers of Puerto Rico, we congratulate and thank you for your invaluable defense of our rights. We are proud of you and know that our case will undoubtedly receive now favorable action with your cooperation. We shall not forget what you have done for us.

ORESTE RAMOS,
President, Puerto Rico Farm Bureau.

SAN JUAN, P. R.

Senator HERBERT H. LEHMAN,
Washington, D. C.:

Feel grateful for your cooperation to give Puerto Rico fair deal in sugar legislation now pending. Appreciate heartily your interest since we have no Senators, Congressmen to represent us.

BULL INSULAR LINE, INC.

SAN JUAN, P. R.

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

The Puerto Rico Manufacturers Association extends to you their sincere congratulations and fully endorse your timely and vigorous stand before Senate Finance Committee on our legitimate rights as domestic sugar producers. We sincerely hope that your views may prevail to remedy distinct and unmistakable injustice of our position under present sugar legislation.

ENRIQUE A. CASTILLO,
President.

PONCE, P. R., January 26, 1956.

Senator HERBERT LEHMAN,

Senate Office Building, Washington:

Please accept our congratulations and gratefulness for your fair and just position requesting equal treatment for Puerto Rico as that for other domestic areas under new Sugar Act. Your continued support in Puerto Rico's behalf will be greatly appreciated.

A. F. ARMSTRONG,
President, Banco de Ponce.

SAN JUAN, P. R., January 26, 1956.

Hon. HERBERT LEHMAN,
Washington, D. C.:

I feel that I convey the appreciation of the people of Puerto Rico for your generous gesture in supporting the demands of Puerto Rico for an equal treatment under the new sugar bill. It is men of your caliber who maintain the faith of the people of the world in the sound principles of democracy.

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION,
By ENAIQUE CAMPOS DEL TORO, President.

SAN JUAN, P. R., January 26, 1956.

Senator HERBERT H. LEHMAN,
Washington, D. C.:

Your statement in defense our growers has won our praise and we shall not forget it. With your invaluable help we shall succeed in obtaining recognition of equality among domestic sugar producing areas, as ascribable to loyal American citizens.

JOSE RAMON QUIÑONES,
Honorary President, Puerto Rico
Farm Bureau.

VIRGILIO RAMOS,
Executive Vice President.

[From proceedings, 13th constitutional convention, Congress of Industrial Organizations, November 5-9, 1951]

RESOLUTION No. 49

THE PUERTO RICAN SUGAR INDUSTRY

The Congress of Industrial Organizations and its affiliates have always recognized and supported the right of the workers of Puerto Rico to produce and process to the fullest extent the products of the island.

The Sugar Act of 1948 limits the production of raw sugar and the refining of pure sugar in Puerto Rico to an extent that is both unfair and economically unsound for the economy of the island. The restrictive limitations contained in the Sugar Act of 1948 severely hampers the major industry of Puerto Rico, depresses income, and makes it impossible for the island to pay for many needed imports.

The limitations on the right of Puerto Rico to produce and to process its own sugar is a vestige of colonialism which should be eliminated. Now, therefore, be it

Resolved, There must be a realistic adjustment of the existing situation. This convention approves of the action already taken by the CIO through its organization department in attempting to secure amendments to the Sugar Act. The CIO through its organization department will continue its efforts to secure a review of the Sugar Act of 1948 in order to advance the Puerto Rican economy by increasing its overall sugar production to the fullest possible extent.

[From proceedings, 12th constitutional convention, Congress of Industrial Organizations, November 20-24, 1950]

RESOLUTION No. 60

THE PUERTO RICAN SUGAR INDUSTRY

The Congress of Industrial Organizations and its affiliates have always recognized and supported the right of the workers of Puerto Rico to produce and process to the fullest extent the products of their island, and

The Sugar Act of 1948 limits the production of raw sugar and the refining of pure sugar in Puerto Rico to an extent that is both unfair and economically unsound for the economy of the island.

By the Sugar Act of 1948, sugar is to continue to be a controlled industry for at least 5 years and Puerto Rico's major industry must continue to function within restricted limits. Whereas in other years the island produced, for example, 992,000 tons of sugar and shipped 919,000 tons to the mainland under the basic quota established by the Sugar Act of 1948, the island's basic quota is set at 910,000 tons, only 126,033 tons of which can enter as refined sugar.

This, obviously, severely restricts the major industry of Puerto Rico, depresses income, and makes it impossible for the island to pay for many needed imports: Now, therefore, be it

Resolved, There must be realistic adjustments of the existing situation. Through its organization department the CIO recommends that immediate steps be taken to review the Sugar Act of 1948 in order to propose certain necessary amendments to the act to protect the Puerto Rican economy and lead it toward the goal of the fullest possible production and processing of sugar.

Mr. LEHMAN. Returning to the substance of my amendment, I submit for the RECORD at this point in my remarks a table showing the maximum increases in raw sugar quota which would be given Puerto Rico under the bill, first, as it passed the House, second, under the present Senate amendments, and third, under my proposed amendment to the Senate bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Effect on Puerto Rican quota of Senator Lehman's proposed amendment

[In short tons, raw value]

Year	Assumed estimate of consump-	Puerto Rican quota		
		Under H. R. 7030 per p. 19 Senate Finance Committee report	Under Senate Finance Committee revisions per p. 3 committee report	Under Senator Lehman's proposed amendment
1956...	8,535,000	1,089,805	1,080,000	1,090,786
1957...	8,670,000	1,106,020	1,091,000	1,099,442
1958...	8,805,000	1,122,236	1,114,783	1,114,868
1959...	8,940,000	1,138,452	1,132,416	1,132,688
1960...	9,075,000	1,154,667	1,150,049	1,150,508
1961...	9,210,000	(1)	1,167,681	1,168,328
1962...	9,345,000	(1)	1,185,314	1,186,148

¹ House bill terminates Dec. 31, 1960.

Mr. LEHMAN. Under my amendment—and granted that the consumption increase assumed for the current year, in the committee report, of 185,000 tons above the 8,350,000-ton base figure actually takes place—45 percent would be allotted to foreign countries, leaving 101,750 tons for the domestic areas, of which amount only 10.6 percent, or 11,000 tons, would accrue to Puerto Rico. Although the amount is small, the principle of participation by Puerto Rico is maintained. This is my main concern.

Finally, Mr. President, I wish to include, as exhibit V at the close of my remarks, a memorandum which I have prepared, giving the background of my interest in this problem, and a fuller justification for my belief that my amendments are necessary.

I hope it will be possible for the chairman of the committee to agree to accept this amendment.

The PRESIDING OFFICER. Without objection, the various exhibits submitted by the Senator from New York may be printed in the RECORD.

The exhibits submitted by Mr. LEHMAN are as follows:

[From the Bell committee report]

EXHIBIT I

A REPORT TO PRESIDENT TRUMAN BY THE PUBLIC ADVISORY BOARD FOR MUTUAL SECURITY, FEBRUARY 1953, ON A TRADE AND TARIFF POLICY IN THE NATIONAL INTEREST

The entire increase in sugar supplied by foreign and insular producers should be permitted to be imported in the form of either refined or raw sugar. It is unjust to limit severely the proportion of their quotas which these producers can ship as refined sugar. If some expansion of the refining industry were to take place in Cuba or other offshore areas as a consequence of a more liberal policy on refined sugar, this would represent a logical industrial development for those areas. It would be consistent with United States policy of encouraging economic development and stimulating private investment in underdeveloped countries.

In the staff report to the Randall Committee Report of January 1954 to President Eisenhower (Report of the Commission on Foreign Economic Policy), the following criticism is given of the sugar program.

(2) Through special quotas limiting shipments of refined or "direct-consumption sugar" to the continental United States, mainland sugar refiners are given absolute protection at the expense of those in Puerto Rico, Cuba, and the Philippines—representing a denial to these supplying areas of a kind of industrial processing that is highly appropriate to their resources.

[From hearings on amendments to Sugar Act of 1948 (Committee on Agriculture of House of Representatives) on H. R. 5406, June 22, 1955]

EXHIBIT II

STATEMENT OF WILLIAM A. ARNOLD, ASSISTANT DIRECTOR FOR INSULAR AFFAIRS, OFFICE OF TERRITORIES, INTERIOR DEPARTMENT

Mr. ARNOLD. Mr. Chairman and members of the committee, my statement on the pending bill, H. R. 5406—

The CHAIRMAN. We have 30 bills pending before the committee; you are perfectly free to talk about any of these 30.

Mr. ARNOLD. Thank you. [Continuing.] Represents the views of the Office of Territories in behalf of the Commonwealth of Puerto Rico and the Virgin Islands of the United States, for whose economic welfare and development we have a direct responsibility.

Under existing law the fixed quotas established for Puerto Rico and the Virgin Islands are 1,080,000 and 12,000 short tons, raw value, respectively. These areas, like the other domestic areas, do not share in the expansion of the domestic market resulting from population growth and increased sugar usage. Of the quota established for Puerto Rico, 126,033 short tons, raw value, may be filled by direct-consumption sugar. We are of the opinion that, if the Sugar Act of 1948, as amended, is extended, favorable consideration should be given to an immediate share by these two territories in the annual increases in sugar consumption and for an increase in the amount of direct-consumption sugar which may be supplied by Puerto Rico.

With respect, first to the Virgin Islands, we should like to point out that the growing of sugarcane constitutes the major economic activity, and the manufacture of raw sugar from this cane is the principal activity of the Virgin Islands Corporation, a corporation wholly owned by the Federal Government and operated under the supervision of the Secretary of the Interior. Sugar accounts for almost 80 percent of the Corporation's gross income and for nearly 90 percent of its total employment, but it is also responsible for almost all of the Corporation's losses.

While sugar production has quite consistently been unprofitable for the Corporation, it cannot be abandoned at this time because of its importance to the economy of the islands. We believe that even a small increase in the amount of sugar which the Virgin Islands could market in the United States would substantially benefit both the Corporation and the economy of the islands and that any proposal for the extension of the Sugar Act of 1948, as amended, should make provision for such increase.

We are of the opinion, secondly, that there should be an increase in the amount of sugar which the Commonwealth of Puerto Rico should be permitted to market in the United States, if the Sugar Act is to be extended. Even though Puerto Rico has complied with all determinations of the Secretary of Agriculture under title III of the act with respect to the quantity of sugar to be produced, substantial carryover stocks have, nevertheless, developed. For example, carryovers amounted to about 250,000 tons for the year 1952, 148,000 tons for the year 1953, and 162,000 tons for the year 1954. In addition, a portion of the cane crops has been left uncut in the fields. A substantial carryover is anticipated for 1955.

An increase in the amount of sugar which could be marketed in the United States by Puerto Rico would result in significant economic benefits to the hundreds of thousands of Puerto Ricans in the sugar-producing area who now have the lowest income and the most difficult social problems of any group in Puerto Rico. The Commonwealth is doing much through its own efforts to attract and develop industrial and manufacturing enterprises to improve its economy, but the growing of sugarcane still constitutes a very significant portion of that economy.

As is pointed out above, the domestic areas, including Puerto Rico and the Virgin Islands, are now permitted to market only the amounts of sugar allowed by the fixed quotas and they do not share in the growth of the sugar industry. We recommend that consideration should be given to an adjustment in the present quota system which would permit these domestic areas immediately to participate in the expansion of the industry resulting from increased consumption and population growth.

It should be noted, in addition, that the present marketing quota for direct-consumption sugar from Puerto Rico was first established in 1934 and has remained unchanged since that time at 126,033 short tons, raw value. The direct-consumption quota not only limits the amount of refined

sugar that may be sent to the mainland from Puerto Rico but it also limits the shipments of sugar in other forms to the mainland for direct consumption.

During this same period of time, the mainland seaboard refiners increased their processing operations by an amount in excess of 1½ millions tons. Puerto Rico has not been permitted, by reason of this 21-year long restriction, to share in this growth of industrial activity even though the refining of sugar fits naturally into its economy.

I am sure that all the members of this committee are familiar with the great and rapid strides which have been made in recent years in the industrial development of Puerto Rico. But virtually all of that activity has involved the utilization of raw materials brought to Puerto Rico for fabrication from United States mainland and elsewhere. It seems to us to be most inconsistent with such a program of industrial development that the one raw material available in abundance for fabrication or processing in Puerto Rico must be shipped in its raw form to the mainland.

Accordingly, it is recommended that any increase in the amount of sugar that Puerto Rico may be permitted to market by reason of its sharing in the expansion of consumption in the United States should not be subject to the existing limitation on the shipment of direct-consumption sugar. This would not modify the protection which has for so many years been accorded the capital investments of the mainland seaboard refiners. They would continue to receive the same quantity of raw sugar from Puerto Rico for refining as they do at present. But Puerto Rico would be given what we believe to be a deserved share in the future growth of the sugar refining industry.

This concludes my prepared statement, but I shall be happy to answer to the best of my ability any questions the members of the committee may have.

[From President Roosevelt's statement of September 1, 1937, upon his signing of the sugar bill]

EXHIBIT III

Since the passage of the bill I have been given the following assurances by Senators representing the great majority of continental sugar producers:

1. That their primary interest in sugar legislation is to afford protection to the growers of sugar beets and sugarcane in all domestic sugar producing areas of the United States, and when the Sugar Act of 1937 comes up for renewal they will endeavor to deal with the question of refined sugar quotas in a separate measure.

2. That they recognize the fact that Hawaii and Puerto Rico and the Virgin Islands are integral parts of the United States and should not be discriminated against.

3. That when the refined sugar quotas for Hawaii, Puerto Rico, and the Virgin Islands are terminated, they will endeavor to enact legislation providing that minimum labor standards in sugar refineries in these offshore areas shall not be lower than the minimum standards in refineries on the mainland.

4. That in future legislation they will see to it that the American housewife is protected adequately.

I have received similar assurances from responsible leaders of the House of Representatives. In view of these assurances, therefore, I am approving the bill with what amounts to a gentleman's agreement that the unholy alliance between the cane and beet growers, on the one hand, and the seaboard refining monopoly on the other, has been terminated by the growers.

NOTE.—With respect to No. 3 above, the Federal minimum wage of 75 cents per hour

has been applied to the Puerto Rican refined sugar industry, since the above statement.

EXHIBIT IV

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
January 24, 1956.

The Honorable HERBERT H. LEHMAN,
United States Senate, Washington, D. C.

DEAR SENATOR: I have today received your letter of January 23, expressing your views on the Sugar Act extension bill, H. R. 7030, and suggesting the adoption of two amendments in behalf of the Puerto Rico sugar producers.

I regret that your letter and suggestions were received too late for consideration by the Committee on Finance. We completed the committee action on the bill yesterday.

With kindest regards, I am

Faithfully yours,

HARRY F. BYRD,
Chairman.

JANUARY 23, 1956.

Hon. HARRY FLOOD BYRD,
Chairman, Senate Finance Committee,
Washington, D. C.

DEAR SENATOR BYRD: I have followed with great interest the progress of your committee's consideration of H. R. 7030, Committee Print of January 13, 1956, containing certain amendments to the Sugar Act of 1948 and providing for its extension through 1962. My concern with this legislation goes to many facets of the problem, including its implications for our foreign relations, its effect on labor standards, the necessity of providing safeguards for the sugar producers and refining industries of the United States, and the interests of our consumers. I must say that the proposed Senate amendments, like the provisions of H. R. 7030, as passed by the House, show a marked improvement as I see it, over the original bills introduced in both Houses last year, in several important respects.

I am informed that the spokesmen for the various sectors of our domestic sugar producing industry continue to support the quota provisions despite the difficulties associated with crop restrictions. Their attitude, in this regard, recognizes the difficulties inherent in any other kind of solution to the problem. I am in accord with this position.

I regret, however, that in at least some other important aspect of this legislation, insufficient attention seems to have been given to the equities involved.

I refer to our treatment of Puerto Rico. Puerto Rico is a domestic area. I see no reason nor justification for making a categorical distinction between Puerto Rico and other domestic producing areas. Yet in this legislation Puerto Rico is discriminated against in two respects: (a) in respect to the production quota and (b) in respect to refined sugar.

Surely with regard to an area over which the Congress has such supreme authority, we should feel a special responsibility to treat this area and its people with the most scrupulous fairness. Since Puerto Rico has no voting representation in the Congress, each of us must consider himself a representative of the interests of that commonwealth. Our policy toward Puerto Rico is carefully watched throughout Latin America. Each manifestation of alleged injustice toward Puerto Rico is noted. I consider the treatment accorded to Puerto Rico in this legislation to be a real injustice.

I refer, first of all, to the allocation to Puerto Rico of a share in the domestic quota increases resulting from an increased consumption of sugar. The language of H. R. 7030, as it passed the House, gives Puerto Rico a percentage share of the amount to be allocated to the domestic areas as a result of

any overall increase in the United States consumption. The Senate committee amendments place Puerto Rico in a separate and second category, which is to share in increased consumption only if and after increased consumption is in excess of 165,000 tons.

I hope this discrimination will be eliminated in the bill reported out. I believe it to be quite unjustifiable both in principle and in actual operation. I would urge the committee to return to the language of the House-approved version of this section.

In regard to refined sugar, let me recall that when the first sugar program was enacted in 1934, in light of the fact that the refined-sugar industry was in a depressed condition, Puerto Rico was limited in the total amount of refined sugar it could ship to the mainland to 15.5 percent of its total production quota. In the years following, this percentage has been gradually reduced until today Puerto Rico is limited in its refined shipments to 11.7 percent of its quota. This has been a result of congressional failure to increase the Puerto Rican refined quota along with its total quota. Under the pending measure, it is proposed to make this small percentage permanent. There can be no justification, in my opinion, for his persistent discrimination.

A small increase in both the basic quota and the refined quota for Puerto Rico would have far-reaching benefits for its economy. Puerto Rico needs such an economic stimulus.

I do not undertake to urge that all the past injustices in this regard be righted, as desirable as that might be in a moral sense. I know how much opposition there would be to any proposal to increase Puerto Rico's refined quota at the expense of the amount of sugar now being milled by our mainland refineries. I, therefore, urge only that Puerto Rico be permitted to ship as refined sugar any increases in her basic production as might be allowed under the terms of the bill now under consideration.

I am attaching to this letter suggested amendments to translate into legislative language the proposals I have made in this letter. I hope the committee will give them careful consideration and will see fit to adopt them.

If this is done, it will go far toward rectifying an historical pattern of discriminatory treatment meted out to Puerto Rico in this and other respects.

With kind personal regards, I am,

Very sincerely yours,

HERBERT H. LEHMAN,
United States Senate.

EXHIBIT V

STATEMENT IN JUSTIFICATION OF PROPOSED AMENDMENTS

My attention was first directed to the importance of the sugar legislation and its administration in relation to the Puerto Rican development program, when it became known that sugarcane crop restriction would be required under the law in 1952.

Puerto Rico had been permitted under regulations of the United States Department of Agriculture (the controlling authority) to produce close to the 1,300,000-ton level in the 1949 and 1950 crops and in the 1951-52 crop up to 1,372,000 tons.

The hardships attendant upon crop restriction, in a community so heavily dependent for its income and man-hours of labor on the production of sugar, were called to my attention by representatives of Puerto Rican farmers and laborers. With the aid of my staff, I tried to interest the Department of Agriculture in finding ways of mitigating these hardships.

At the time, Puerto Rico was the only area in the world which was expected to curtail its sugar crop. Elsewhere in the Caribbean, record expansion of sugar production was going on, especially in Cuba, which expansion regrettably had to be eliminated by Government restrictions a few years later.

I was then advised that officials of the Department of Interior, deeply concerned about the economic and social welfare of Puerto Rico—one of the areas then under its jurisdiction—were of the opinion, after careful study, that by the exercise of certain discretionary powers of the Secretary of Agriculture (relating to reallocation of deficiencies of production in certain domestic areas) a considerable dent might be made in the carryover of sugar in Puerto Rico, thus enabling the Secretary of Agriculture to alleviate the rigors of crop restriction otherwise required under the law. However, officials of the Department of Agriculture did not agree that such alleviating action could be taken under the act. The difference in legal interpretation between the two departments was not referred to the Department of Justice but the Secretary of Agriculture, Mr. Brannan, sought to be helpful by exploring other measures of relief and did succeed finally in alleviating somewhat the burden of crop restriction for the 1952-53 crop.

I should point out in this connection that crop restriction in Puerto Rico has always been on a more exact and rigorous pattern than in the other domestic areas, whenever such restrictions were applied at all in those areas. Every grower has an allotment in terms of tons of sugar, not in terms of acreage, as in the mainland. Acreage allotments permit a certain flexibility, as the facts developed in the recent sugar hearings clearly demonstrate. It has been brought out that even with a declining acreage the mainland has been able to increase its sugar production through higher yields per acre. This would not be possible under the Puerto Rican crop-restriction program. No criticism of the Department of Agriculture is intended in this observation for the act clearly gives discretion to the Secretary to establish allotments to growers in either form. However, the fact remains that Puerto Rico cannot help but observe the contrast in administration between the mainland and Puerto Rico in this matter.

Puerto Rico, I am sure, was grateful for whatever action the departments were able to work out in alleviation of the drastic crop-curtailment programs of the years since 1952. For the workers in the fields, it meant desperately needed man-hours of work with which to buy essentials of life—food and clothing and shoes. But again, Puerto Rican sugar producers cannot help but note that in a similar situation for the mainland recently developed, Commodity Credit Corporation has purchased 100,000 tons of surplus sugar from mainland producers at the domestic price or very near that price. In the similar purchase for the use of the Economic Cooperation Administration of about 50,000 tons of refined sugar made from excess quota raw sugars in 1953, a reduction from the domestic price of about a full cent a pound was made (4.55 cents per pound and 4.70 cents per pound respectively f. o. b. San Juan). The official announcement of the United States Department of Agriculture has recently been made on the current sale and is as follows (p. 4, Sugar Rpts., No. 45):

"The contracts covering the purchase of raw sugar in Louisiana and Florida provide that the price per pound of raw-sugar basis, 96° polarization, f. o. b. rail cars, New Orleans, La., or Savannah, Ga., as the case may be, shall be the season's average price determined pursuant to paragraph (b) (ii) of the fair price determination (874.8) applicable to Louisiana sugar of the 1955 crop."

I should point out that the more conservative price policy of 1953 followed the denial to Puerto Rico of sales of its surplus sugar in the world market during one of those rare periods when world prices were above the United States price. Again, no criticism is intended of the Federal administrator for they no doubt wish to protect the American consumer during the active Korean war period when it seemed possible that the inflated world market price would draw surplus and reserve supplies away from us in our usual foreign sources of supply. In fact, Puerto Rico is proud of the fact that its reserve stocks were available in 1950-52 to the Federal administration as insurance reserves against depleted stocks. But it is hard to understand why they should have been prevented from selling abroad so long after the emergency was over and thereafter required to sell these insurance reserves at a price so much below what is now deemed fair for the mainland areas in a similar situation.

Puerto Rico is not envious of its sister producers in the mainland because of their good fortune in this respect. In fact, it takes satisfaction in that the exploratory efforts of the Department of Agriculture with Puerto Rican producers made at the beginning of the postwar renewal of crop restriction, has served to provide a means of more effective relief to mainland producers at a later period, when the troubles of crop restriction were faced by them in turn. For the exploratory efforts of 1952-53 were fraught with many obstacles to be overcome, both for administrators and producers.

However, in view of the foregoing, Puerto Rican producers find it all the more difficult to understand why the much belated action taken by the Congress in 1951 to increase their quota—not to become effective until 1953—should be used as an excuse to deprive the Commonwealth of equal treatment with the other domestic areas, in the small participation granted it in the House bill for the first 165,000 tons of possible increase in consumption.

I need not comment on the proposed amendment relating to the restriction on refined sugar, as I have covered the subject in previous statements. Let me illustrate, however, the inequity of the existing provision by an example.

Recently the USDA announced the conclusion of successful experiments in preparing sugar for use by various industries—confectionery especially—by a new process eliminating some of the present cost of refining. Should this experiment work out successfully, in a practical way, as the result of further effort on the part of the technicians of the Department, there would be rejoicing in the mainland cane areas for they would be permitted to transfer from the old operation to the new one. There is no limit on the amount of sugar that may be produced in refined form, or in any other form of direct-consumption sugar, in Louisiana or Florida.

In contrast, under the pending bill, such technical advance would be almost meaningless for Puerto Rico, limited as it is by the restriction on the quantity of sugar which it may market in finished form.

This is also true, of course, of Hawaii and the Virgin Islands. However, Hawaii has its cooperatively owned refinery at Crockett, Calif., which refines most of the Hawaiian crop, and the Virgin Islands has only one mill in a special situation. For Puerto Rico, this limitation is a real problem.

The first amendment merely seeks to restore to Puerto Rico the share granted to it by the House bill in the first 188,000 tons of increase in consumption above 8,350,000 tons. It was the purpose in both Houses to relieve the surplus-stock situation in the domestic areas suffering crop restriction. Puerto Rico, as already stated, is the domes-

tic area where crop restriction has been most rigorously and continuously applied under sugar legislation since 1934. There is no just basis for omitting Puerto Rico from this minimal sharing of 10.6 percent.

Not only is the principle of participation involved here but it is also necessary to protect Puerto Rico against a most undesirable contingency.

One of the primary objectives of the act is to stabilize the price of sugar. The Secretary of Agriculture may not be able to increase his present consumption estimate of 8,350,000 tons by more than 100,000 tons, if he is to comply with the price objectives of the act. The following year, as in 1953, a reduction in consumption may take place or only a small increase. Under such conditions under the bill as reported by the committee, and without my amendment, Puerto Rico would receive no relief whatsoever for a number of years while the mainland areas could dispose of considerable quantities of surplus stocks in addition to the disposal of 100,000 tons of mainland surplus purchased by the Commodity Credit Corporation. The Senate should remember that not a pound has been purchased from Puerto Rico in this transaction.

Because I do not wish to delay Senate action on this bill, I do not propose in this amendment to deal with another difficulty for Puerto Rico, embodied in the pending bill, which does not apply to the House bill. In allotting increases in consumption above the first 188,000 tons, the mainland areas have a built-up base as a result of their having received the lion's share of the first increment of 188,000 tons of increased consumption.

Puerto Rico's base, on the other hand, is thereby reduced somewhat for sharing in future increases of consumption (beyond the first increase of 188,000 tons). I have been advised that the House bill sought to meet this difficulty by freezing the allotment system for 1957 and thereafter, to the 1956 base. This matter should certainly be adjusted in conference.

Mr. LONG. Mr. President, I have been designated by the acting majority leader to control the time in opposition to the amendment.

Mr. BENNETT. Mr. President—

Mr. LONG. How much time does the Senator from Utah desire?

Mr. BENNETT. I should like to have 10 minutes. I am sure I will not use it all.

Mr. LONG. I yield 10 minutes to the Senator from Utah.

Mr. BENNETT. First, let me inquire which of the Senator's two amendments is the pending question?

The PRESIDING OFFICER. It is the amendment designated "A."

Mr. BENNETT. Mr. President, I can understand the feeling of the distinguished Senator from New York with regard to this subject. I assure the Senator that this particular question was given full consideration by the Senate Committee on Finance. The decision as to the manner of allocation provided in the bill was made on the basis of what seemed to the committee to be the most equitable allocation for all concerned.

Moreover, the allocation provided in the bill as reported by the committee—and I emphasize this, Mr. President—is endorsed by the Association of Sugar Producers of Puerto Rico. The official representative of Puerto Rico before the committee endorsed the committee's program.

The amendment offered by the Senator from New York was supported before the committee by a gentleman who introduced himself as the honorary president and a member of the board of directors of the Puerto Rico Farm Bureau.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. LEHMAN. I should like to invite the Senator's attention to the fact that the Governor of Puerto Rico, an elected official, is strongly in favor of the amendment which I have offered.

Mr. BENNETT. The fact remains that the men who produce sugar in Puerto Rico support the committee's amendment. Let us make a comparison.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. CHAVEZ. Will the Senator tell me the name of the gentleman to whom he has referred?

Mr. BENNETT. His name is José Ramon Quinones.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. BENNETT. I am speaking on my own time now.

Mr. LEHMAN. I shall be glad to yield 3 minutes to the Senator for this purpose. I should like to ask him whether he is quoting the name of a man who sent a telegram to him.

Mr. BENNETT. No; I am not. The man appeared before the committee.

Mr. LEHMAN. What was his name?

Mr. BENNETT. José Ramon Quinones.

Mr. LEHMAN. It may interest the distinguished Senator to know that I have in my hand a radiogram reading as follows:

Your statement in defense our growers has won our praise and we shall not forget it. With your invaluable help we shall succeed in obtaining recognition of equality among domestic sugar producing areas, as ascribable to all American citizens.

JOSÉ RAMON QUINONES,
Honorary President, Puerto Rico
Farm Bureau.

Mr. LONG. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BENNETT. The bill provides that the first 165,000 tons of the domestic industries' share of increases in the American sugar market above 8,350,000 tons shall be divided on the basis of 51.5 percent to the domestic sugar-beet area, and 48.5 percent to the mainland cane area. The next 20,000 tons shall be allotted 100 percent to Puerto Rico, and the following 3,000 tons shall be allotted 100 percent to the Virgin Islands.

The amendment proposed by the distinguished Senator from New York [Mr. LEHMAN] would result in approximately the same tonnage as in the bill reported by the committee. The difference is that under the proposed amendment all four of the domestic areas named would share in the increase on a percentage basis from the first ton of increase, on up through the last of the 188,000 tons.

The committee had definite reasons for reserving the first 165,000 tons for the domestic beet and mainland cane areas. In the first place, this would partly offset the 170,000 ton increase made by Congress in 1951 in the fixed quota of Puerto Rico. The 1951 amendments to the act raised Puerto Rico's fixed quota from 910,000 to 1,080,000 tons, an increase of 170,000 tons; and it raised the fixed quota of the Virgin Islands from 6,000 to 12,000 tons, doubling it, or increasing it by 6,000 tons.

The other domestic areas, however, have had no increase at all in their fixed quotas since the 1948 act became effective. The 1951 amendments became effective in 1953. Therefore, Puerto Rico and the Virgin Islands are now in their fourth year of enjoying the benefits of those increases.

Puerto Rico has had 3 years to date at 170,000 tons a year, or the benefit of more than a half million tons, while the domestic areas have not been able to get a single pound.

Instead of being shunted into a secondary position, as the distinguished Senator from New York suggests, Puerto Rico in reality has had for 4 years a preferred position among the domestic areas. The alleged preference now proposed for the domestic beet and mainland cane areas really is not a preference at all, but merely permits these 2 areas partly to catch up with what Puerto Rico already has, and has had for 4 years.

It seems to me that the situation is very simple. I could continue the debate, and shall do so if the Senator from New York wishes to continue it. However, it seems to me that it is a very simple proposition. Having given Puerto Rico 170,000 tons a year by way of a head start over any other domestic area back in 1951, effective January 1, 1953, it is only fair that the mainland domestic areas be given a chance to catch up to an amount approximately one-third as large as the amount Puerto Rico had before it begins to share again in our relative positions.

Mr. LEHMAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New York has 22 minutes remaining.

Mr. LEHMAN. I should like to say in reply to the distinguished Senator from Utah that a part of section 6 of the bill reads as follows:

(a) (1) For domestic sugar-producing areas by apportioning among such areas 4,444,000 short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar.....	1,800,000
Mainland cane sugar.....	500,000
Hawaii	1,052,000
Puerto Rico.....	1,080,000
Virgin Islands.....	12,000

(2) To the above total of 4,444,000 short tons, raw value, there shall be added an amount equal to 55 percent of the amount by which the Secretary's determination of requirements of consumers in the continental United States for the calendar year exceeds 8,350,000 short tons, raw value. Such additional amount shall be apportioned among and added to the quotas established under

paragraph (1) of this subsection for such domestic sugar-producing areas, respectively, as follows: (A) The first 165,000 short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 51.5 percent to the domestic beet-sugar area and 48.5 percent to the mainland cane-sugar area; (B) the next 20,000 short tons, raw value, or any part thereof, by which such quotas are so increased shall be apportioned to Puerto Rico.

In the first place, Puerto Rico is a part of the United States. The residents of Puerto Rico are definitely citizens of the United States in the same manner that we are citizens of the United States.

All my amendment does is to provide that at least a part of the first 188,000 ton increase in domestic sugar consumption shall go to Puerto Rico in exactly the same manner as a part of it is allocated to the sugar industry in this country, whether raw or refined. That is all I am asking. It seems logical to make such a request. I am asking only that Puerto Rico get at least a part of the first additional amount which is made available by an increase in domestic consumption.

Mr. BENNETT. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I am glad to yield.

Mr. BENNETT. Would the Senator be willing to change his amendment to put Puerto Rico's base back to where it was when the bases of the other domestic areas were established, and add 20,000 to the 910,000 tons? Puerto Rico already has had 170,000 tons added to her base. I think the other domestic areas would be willing to leave her with that higher base.

Mr. LEHMAN. I ask the Senator, When did that happen?

Mr. BENNETT. In 1953.

Mr. LEHMAN. Since then, of course, provisions have been made for the cane sugar industry on the mainland, and for the beet sugar industry, but Puerto Rico has simply been shunted aside. It has no chance of getting any more. As I said before, it is left out in the cold. It has not a chance.

Mr. BENNETT. Was there anything added to the domestic cane and beet sugar base in 1951?

Mr. LEHMAN. I do not know.

Mr. BENNETT. There was not. The domestic cane and beet people had nothing added to their base since 1948.

Mr. LEHMAN. I am not asking for anything to be added to the base. I am asking only that from the first increase in sugar consumption in this country Puerto Rico receive some share. I am asking only that Puerto Rico receive some share of the increased consumption which will come about in the United States.

Mr. BENNETT. By 1962 Puerto Rico's increase will be more than 100,000 tons. So she is not being deprived of anything. Puerto Rico is simply being asked to step aside for a year until the domestic producers get about half of what Puerto Rico received in 1953.

Mr. President, I am ready to yield back my time if the Senator from New York has finished.

Mr. CHAVEZ. Mr. President, will the Senator from New York yield about 3 minutes to me?

Mr. LEHMAN. I shall be glad to do so.

Mr. CHAVEZ. Mr. President, I believe the Senator from New York is contributing something to the way of life in this country when he tries to be fair and just to our fellow citizens on the island of Puerto Rico.

As it is, notwithstanding the fact that the Senator from Utah is correct in his statement of the allotments, Puerto Rico is still handicapped. Congress has prevented Puerto Rico from refining more than a certain amount of sugar. The sugar which is grown in Puerto Rico is sent in a raw state to the North Atlantic States for refining, and there is where the profit is. Puerto Rico would not ask for any increase whatsoever if this country were only fair with that island. The citizens of Puerto Rico have been true blue. They have answered the call. They have over a hundred thousand veterans of the last two wars. The Senate knows how we treat those veterans. There is one hospital in Puerto Rico, with 200 beds, to take care of that great number of veterans. I feel that we should be fair. The greatest characteristic of Americans is to be fair.

I hope the Senate will agree to the amendment offered by the Senator from New York.

Mr. LONG. Mr. President, I yield myself 1 minute.

As the Senator from Utah has pointed out, in 1948 quotas were set up for all sugar-producing areas within the United States. Since that time there has been no part of the United States which has had any increase in its quota, except in the case of Puerto Rico and the Virgin Islands. Puerto Rico was permitted to have an increase of 170,000 tons in 1951. The Virgin Islands were permitted an increase of 6,000 tons in 1951.

All the bill provides is that the domestic producers shall have some relief from the huge surplus they have borne before Puerto Rico shall begin to share.

The PRESIDING OFFICER. The Senator from Utah has yielded back his time.

Mr. LEHMAN. Mr. President, I should like to make one statement.

The Senator from Louisiana [Mr. Long] referred to the surplus in Puerto Rico. It existed long before any surpluses existed in this country. The people of Puerto Rico have been very hard pressed and their economy has very greatly suffered because they were prevented from shipping any more sugar than the amount allotted to them.

I am very glad indeed that my distinguished friend from New Mexico [Mr. CHAVEZ] mentioned the question of refined sugar. I think the following observations may be of some interest in that regard, and they show the sorry plight in which Puerto Rico now finds herself:

When the Sugar Act of 1934 was enacted, Puerto Rico was permitted to ship to the mainland, in the form of refined sugar, approximately 15 percent of its total quota. Today, and under the

terms of the pending bill, Puerto Rico is permitted to ship only approximately 11 percent of its quota in the form of refined sugar. This has resulted from the failure to increase the refined quota for Puerto Rico as the total raw sugar quota has been increased. This is an injustice and it has prevented any expansion in the refining industry of Puerto Rico and an equitable share in the expanding economy of the Nation as a whole.

The people of Puerto Rico are fellow citizens. They deserve to be treated on an equitable basis.

I hope the Senate will agree to my amendment.

Mr. CHAVEZ. Mr. President, will the Senator from New York yield further?

Mr. LEHMAN. I yield.

Mr. CHAVEZ. Is it not a fact that the economy of Puerto Rico is based almost altogether on sugar?

Mr. LEHMAN. That is correct.

Mr. CHAVEZ. Is it not a fact that with the dollars they receive for their sugar they buy 90 percent of all their food within the United States?

Mr. LEHMAN. So far as I know, that is correct.

Mr. CHAVEZ. They buy rice and all other foodstuffs, with very few exceptions—possibly a few pineapples and wild potatoes—from the United States. The only thing they produce is sugar. They buy everything else from New York, Miami, Charleston, Atlanta, and New Orleans.

Mr. LEHMAN. I am sure the Senator from New Mexico is correct.

I wish to point out, also, Mr. President, that poverty is so great in Puerto Rico that it is necessary for a large number of Puerto Rico-Americans to emigrate to this country and, to some extent, to other countries. Of course, the larger number of them come to this country. Sugar is their main product, as has been pointed out. Even if we give them an opportunity to sell at reasonable prices an increased share of their sugar production, Puerto Rico would still have a large surplus. I believe that my amendment would help unemployment and help the economic situation in Puerto Rico to the point where fewer persons would feel impelled to emigrate from Puerto Rico to the mainland of this country.

Mr. BENNETT. Mr. President, will the Senator from Louisiana yield to me 1 more minute?

Mr. LONG. I yield 1 minute to the Senator from Utah.

Mr. BENNETT. I should like to place this additional fact in the Record, that the 170,000 tons added to the base of Puerto Rico in 1953 was an increase of 18.6 percent. The 165,000 tons which we are asking to be added to the beet and cane sugar producing areas on the mainland before Puerto Rico begins to share is 7.2 percent. So that the increase for Puerto Rico is already more than two and a half times the increase for the domestic area.

Mr. LEHMAN. Am I to understand that the percentages which the Senator gave were percentages only on the increase in consumption?

Mr. BENNETT. That is correct.

Mr. LEHMAN. Of course, an increase in consumption would also be reflected in the amount which was allocated to the cane sugar and beet sugar industry. Now, they are getting the whole 55 percent.

Mr. BENNETT. They have had no increase.

Mr. LEHMAN. They are getting the whole 55 percent of the increase in consumption, while poor little Puerto Rico is not getting anything.

Mr. BENNETT. Poor little Puerto Rico has had a half a million tons, while the American industry has not had a pound. I think Puerto Rico could wait a year and give us a chance to catch up one-third of the distance we have gone.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BENNETT. I am willing to vote.

Mr. LEHMAN. Unless some other Senator wishes to question me, I am willing to surrender the remainder of my time.

Mr. LONG. The opposition yields back the remainder of its time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. LEHMAN.]

The amendment was rejected.

Mr. FULBRIGHT. Mr. President, I call up my amendment "2-7-56-A."

The PRESIDING OFFICER. Does the Senator wish to have his amendment read?

Mr. FULBRIGHT. No. I referred to it yesterday in my remarks.

The PRESIDING OFFICER. The amendment will be printed at this point in the RECORD.

The amendment offered by Mr. FULBRIGHT is as follows:

On page 15, strike out lines 21 to 24, inclusive, and insert in lieu thereof the following:

"SEC. 5. Section 201 of such act is amended to read as follows:

"SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States: Such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first 10 days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination,

in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration a return to domestic cane and beet sugar producers (including payments under title III of this act) reflecting 90 percent of the parity price therefor, as determined under section 301 (a) of the Agricultural Adjustment Act of 1938, as amended."

On page 23, after line 21, insert the following new section:

"SEC. —. Section 304 of such act is amended by adding at the end thereof the following new subsection:

"(e) In no event shall payments be made to any producer which will provide a total return to the producer in excess of the amount of return considered by the Secretary of Agriculture in making his determination under section 201 (a)."

Mr. FULBRIGHT. Senators will recognize very easily that the amendment merely provides that the support price for sugar shall be the same as the support price on the basic commodities, namely, 90 percent of parity.

It struck me, in view of the attitude of many of the Members of the Senate who are not even for the 90 percent support program, but who are for flexible supports, that a guarantee of a 90 percent support for sugar would be sufficient. To me it is unusual, at least, that sugar and wool, the only two commodities which are very important in the State of Utah, and in a few other States in the West, should have a support of more than 90 percent, or that they should even expect more than 90 percent.

The amendment merely provides that sugar shall be supported at 90 percent of parity, instead of approximately 113 percent, as I think is provided in the bill. At least in 1947 sugar was supported at 113 percent of parity. The bill undertakes to tie the prices which the Secretary is requested to achieve in the operation of the bill to the 1947 level. So, while 113 percent is not a precise amount established in the bill, it would be the objective whenever the Secretary contemplates setting a quota for the importation of sugar. That is, he must take the 1947 price level into consideration.

I submit that, in all fairness, the growers of sugar should be content with 90 percent of parity, as are the producers of cotton, wheat, rice, and peanuts. I can see no reason why the sugar growers should receive any more than the producers of our basic commodities. I urge the Senate to adopt the amendment.

Mr. LONG. Mr. President, the Sugar Act is not operative and never has been on the same basis applied in the case of the ordinary support program. In the first place, there is no price support provided by the Sugar Act. The Secretary of Agriculture does not have the responsibility of buying any sugar at 90 percent of parity or at any other relationship to parity.

The formula developed by the Sugar Act some years ago was the basis of allotment to the domestic market. If the sugar producers produce more than their domestic allotment, they are simply forbidden by law to market the excess, and it is their responsibility to finance the carryover of their surpluses. If they can-

not find a market for them, that is their problem; it is not the responsibility of the Secretary of Agriculture.

Mr. FULBRIGHT. Is it not true that when a surplus accumulated last year, the sugar growers came in and had special action taken by the Secretary of Agriculture to take 100,000 tons of the surplus off their hands?

Mr. LONG. My latest information is that as of today there are stocks of more than 300,000 tons of cane sugar. On January 1 stocks were 379,000 tons. The annual quota of cane sugar is 500,000 tons. It will take several years to work off this surplus.

Sometimes they have received much less than parity, when other producers were receiving much more than parity. It happens that at the moment they are receiving something in excess of 90 percent of parity, which has not always been the case.

Certainly I hope that all farmers will receive at least 100 percent of parity. It seems to me it is fair to ask for it. Merely because the farm program with regard to wheat, cotton, and various other commodities as of this moment causes those commodities to sell for less than 90 percent of parity is no reason why the producers of cane or beet sugar should be victimized. Those producers have accepted their fair acreage limitations.

The cane producers have had a cutback of one-third in the acreage which they are permitted to plant. They are the only major producers of commodities in this country who are denied the major share of the domestic market. More than half of the market is guaranteed to foreign producers and I am including Puerto Rico and Hawaii as domestic producers of course. That makes it possible for the producers of farm commodities here to have a better market overseas. Perhaps sugarcane would lead the list of commodities which could be produced here; yet we permit other nations to have a larger share of the sugar market.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ELLENDER. Is it not also true that in the Sugar Act there is a provision whereby the administrator of the act can state how much labor shall be paid in the sugar industry?

Mr. LONG. That is true. The Secretary of Agriculture is responsible for fixing the wage rates that producers must pay. That is one of the many problems most producers have. Much as some persons would like to see sugar produced at the same price at which it is produced in other countries, the fact is that the American producers are required to pay wages established by the Secretary of Agriculture, while the producers in some other countries can get by with a payment of a far lower rate.

Mr. FULBRIGHT. Mr. President, I yield myself whatever time may be necessary to make my statement.

I wish to say first, with regard to the last amendment, for which I voted, that I was on the horns of a dilemma. I favor increasing the quota for the other South

American countries, but I do not favor increasing it at the expense of Cuba. But that particular amendment was one of the cases in which one is for one part of the proposal and not for the other part; and one has to take his choice.

I would not favor and do not favor decreasing the allotment to Cuba, but I think the industry in this country could well share the market a little more generously with some of our South American countries.

Returning to the amendment which is now being considered, the Senator from Louisiana says his producers are restricted, and that only a certain percentage of the domestic market is permitted to the cane producers. Of course, that situation arises only because of the embargo on imports which enables the producer to have the share he now has. If there were no tariffs and no embargoes, as in the case of cotton, the Senator knows that there would not be nearly so much domestic sugar production as there now is. To say this is unique because one is restricted in the amount he can grow, to say that as if it were comparable with any other commodity produced in this country, is completely misleading.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. Certainly.

Mr. LONG. I am as much interested in cotton as is the Senator from Arkansas. Can the Senator tell me what percentage of the American market for cotton the foreign-producers have?

Mr. FULBRIGHT. Of the domestic market?

Mr. LONG. Yes.

Mr. FULBRIGHT. A very small amount of Egyptian cotton comes into this country, but that is because it is competitive; it is not because the Egyptian cotton has a siphon into the Public Treasury, as sugar does. There is no embargo; neither is there a quota nor a tariff. Egyptian cotton comes into the United States simply because the domestic producers have not been able to produce long-staple cotton in competition with the Egyptian cotton.

Mr. LONG. With all deference to the Senator, I question whether foreign producers have 40 percent of the market for cotton. If they were taking the rest of it, the Senator would be taking the same position.

Mr. FULBRIGHT. The two commodities are not comparable but are completely dissimilar. I object to a comparison between them. There is nothing at all comparable between sugar and cotton. The Senator himself has advanced that argument into the circumstances, when he has sought to justify this particular bill.

The only point I make in connection with this amendment is—and I do not wish to delay the Senate unduly—that when everything is said and done, when the prices are arrived at by artificial means, by quotas, and by excise taxes, and then the compliance payments are added, it seems to me that the sugar producer is not entitled, in all fairness, to more than 90 percent of parity. This is similar to what is paid for the production of other basic agricultural

commodities under the most favorable support program. One of the objections I have to the pending bill, and also to the wool program, is that these particular commodities are given special and favored treatment. Such action weakens the overall position of agriculture. One of the reasons why agriculture today is so completely out of balance with the rest of the economy is that the forces of agriculture, the people who should be working together to help agriculture, are divided. A small segment of agriculture becomes satisfied because a wool bill has been passed, which gives wool growers 105 percent of parity, so they do not care what happens to other agricultural producers. The same is true of sugar. We treat them so well that sugar producers are likely not to care what happens to wheat, cotton, or corn growers. So when we get through, all the agricultural forces are scattered and weakened. It is significant to note that for the last 4 years the income of agriculture as a whole has declined abruptly and disastrously, whereas all the rest of our economy has expanded and is flourishing.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. WATKINS. I notice that the Senator has talked about basic crops as compared with sugar, and the very fine position of sugar prices as compared with basic crop prices. I wonder if the Senator has ever thought of the fact that there are literally millions of farmers in other fields who do not get any price supports whatsoever. Fruit growers, vegetable growers, and other perishable crop growers do not get any help whatsoever. There are no price supports for them. If the Senator wants to be consistent, he ought to make a fight for all the fruit growers and the other perishable crop growers, and not fight only for rice and cotton growers.

Mr. FULBRIGHT. One of the great obstacles to prosperity for fruit growers is the high price of sugar.

Mr. WATKINS. It is not the high price of sugar that is stopping the fruit growers. It is the high cost of processing fruit and shipping it. The cost of processing and shipping has gone up so high that if we were to give the fruit to people, they could not afford to pay the cost of having the fruit processed. It is processing costs that are ruining the fruit growers of the country.

Mr. FULBRIGHT. I know that fruit growers have had a very difficult time. One of the reasons why we have not been able to help fruit growers is that no one has been able to suggest a practical method to do it. During World War II, we tried to work out a program with respect to semiperishables like potatoes, and it proved to be disastrous. Its failure brought discredit to the whole agriculture program. I wish we could do something to enable fruit growers at least to stay in business, because there is no one who appreciates the peaches and cherries that grow in Utah more than I do.

Mr. WATKINS. We have made such heavy investments in orchards that we

cannot afford to abandon them. Growers of wheat, tobacco, rice, peanuts, and other basic crops can go out of business in a hurry. They can change their crops. Fruit growers cannot do it.

I hear all these pleas for growers of basic crops and arguments against what is being done about sugar producers. It makes me wonder whether there is any consistency in the statements. The price of sugar is not high as compared with the price of many other commodities. We have no difficulty on that score. Fruit growers could sell their products if the cost of sugar were the only item involved, but salaries and wages, shipping costs, processing costs, the cost of baskets and boxes, and everything else used in the processing of fruit have gone so high that people cannot afford to buy fruit, even if we were to sell them fruit at half what it costs to produce it.

Mr. FULBRIGHT. I do not quite follow the Senator. All I am saying is that producers of sugar should have equal treatment with that given to producers of other basic commodities. I do not know why they should be given extra special treatment, in view of the great dividends they receive. I read those into the RECORD yesterday, and I shall not repeat them.

Mr. WATKINS. I have not said much in the debate, but I want to make it clear that, for instance, in our State, we had one of the pioneer sugar producers. Equipment was brought from France to set up one of the early sugar mills.

I should like to see our country in a position where it would be more or less independent of the production of other countries, so that in times of emergency there would be enough production in this country to meet our needs. Sugar producers should be encouraged to the point where in times of emergency it would not make any difference whether our sources of supply were cut off. We must encourage sugar and wool producers in order that we may have some degree of independence. It is not a surplus crop in this country. We all know that. We want to share our market with other countries and at the same time help our own people.

There has been a reduction in acreage in my own State. It is true that there has been increased production per acre, but we ought to have a balanced agriculture there, instead of having farmers turn to wheat when they no longer can produce sugar. They ought to have increased acreage allotments in proportion to their fair share of the American market, so that their allotments will increase over the years. That is the kind of help we ought to give to the industry. Sugar is not produced in surplus. We ought to encourage it. We ought to make ourselves more independent than we are at the present time. In my book, that is a good national policy.

Mr. FULBRIGHT. The Senator is entitled to his view. I think one of the greatest obstacles we will have to overcome in the next several years is lack of sufficient trade with the free world. If we were to follow the Senator's view, we would trade even less.

The Senator well knows that when we foster this largely uneconomical industry, we are sacrificing other agricultural industries in its behalf. I have already gone over what that policy has done to the rice industry in my State. I do not wish to bore the Senate with a repetition of it. However, it is very clear that in pursuing the policy we have followed with regard to sugar, we have already created enormous surpluses of rice which we used to sell to Cuba. The figures were placed in the RECORD yesterday. I shall not bother to go into them again. I have spoken 4 or 5 times on the matter already. But in this case we are artificially building up an industry which was not in existence, particularly western beet sugar, and the effect is to cut off the normal, natural markets of other agricultural commodities. That is another reason why I think the bill should go to the Committee on Agriculture and Forestry, where the staff, which is expert in the field of agriculture, could study it, along with Senators who understand it a lot more.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. FREAR. I merely wanted to know if the Senator preferred rice to sugar.

Mr. FULBRIGHT. We do not get much sugar. We cannot afford to buy it, because the price is so high.

Mr. President, I believe that is all I have to say.

Mr. HOLLAND. Mr. President—

Mr. LONG. Mr. President, how much time does the Senator from Florida desire?

Mr. HOLLAND. I should like to have 10 minutes.

Mr. LONG. I yield 10 minutes to the Senator from Florida.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from Florida is recognized for 10 minutes.

Mr. HOLLAND. Mr. President, if I may have the attention of the distinguished Senator from Arkansas, I rise to oppose the amendment of the distinguished Senator from Arkansas, because it seems to me that the Senator has not glimpsed the real essence of this situation in any way at all.

By means of his amendment he proposes to place sugar in the same classification in the general price support bill with commodities which receive now, or have received in the recent past, 90 percent of parity, and are classed as basic commodities, but all of which are in heavy surplus. That bill is restricted in its operation to commodities which are in surplus.

The pending measure has to do with one of the two great commodities which, in the United States, not only are not in surplus but are in deficit to a very large extent.

Mr. President, I wish all Members of the Senate might have heard the statement made on yesterday by the former Secretary of Agriculture who served during World War II, the present junior Senator from New Mexico [Mr. ANDERSON]. I believe he stated that sugar was of such strategic necessity during the war, and that there was so great an out-

cry for sugar, not only from commercial firms making candy, bottling drinks, and the like but also from housewives all over the Nation, who wished to have sugar in order to put up preserves, jellies, fruits, and vegetables, that he was put to the necessity of negotiating with Cuba for much more sugar than we had been able to obtain up to that time. As I recall, the distinguished Senator from New Mexico, the former Secretary of Agriculture, said he went virtually on his hands and knees to Cuba for sugar because it was of such strategic necessity to our people during those war times.

Mr. President, the sugar produced in the United States supplies only a small part of our market, and would supply a smaller part of our market during a war or other great emergency. Therefore, this system of special support for sugar, through the levying of a processing tax, was evolved away back under the Jones-Costigan act.

Mr. President, it is completely idle to compare the situation existing with respect to basic storable crops which are dealt with under the general price-support legislation, and for which the highest price support has been 90 percent, with the situation existing with respect to sugar or the situation existing with respect to wool. All of us know that in the case of wool, at the very time when we as a Congress were reducing the general price-support structure, and were writing a flexible price-support structure as to some commodities, and directly reducing the support rate as to other commodities, and when we were proceeding in other ways to make more conservative, and less generous, the price-support structure, in 1954, we wrote into that very measure a special provision in the case of wool, because we recognized wool as a strategic commodity. As I recall, in order that that particular strategic commodity might be more extensively produced in the United States, we allowed a price support of 110 percent as the maximum price-support applicable to that necessitous commodity.

In the case of sugar, there has been no such price support as 110 percent. The figures for the last few years show that, on the average, the price support for sugar has, under the present act, been between 90 and 93 percent.

Mr. President, it appears very clearly that this measure had been coupled with a reduction of tariff taxation, so as not to increase the price to consumers. Likewise it appears that the price to the consumers has remained stable, and that the price has not increased anything like the general level of increase which has occurred in the case of food commodities other than sugar.

On yesterday, a question was raised by the distinguished Senator from Arkansas [Mr. FULBRIGHT] as to why this measure went to the Finance Committee. It did so because it began in the Finance Committee, primarily as a tariff-reduction measure, as well as one providing a price-support structure for domestic producers; and the bill had to be reported from that committee.

Senators will recall that when the first law on this subject was passed, a tariff

or tax of 2 cents a pound was imposed on sugar imported into the United States. The Jones-Costigan Act reduced the tariff to 1½ cents a pound, and at the same time placed a processing tax of one-half cent a pound on sugar produced in the United States.

Mr. President, we have the direct word or statement at that time of the Secretary of Agriculture then serving and of the President of the United States then serving, that that act did not bring about an increase in the price of sugar to consumers throughout the United States. It is unnecessary for me to repeat those statements or to quote from them, for they are already in the record in this instance.

Measures on this subject have continued to be considered by the Finance Committee, because such measures have continuously been coupled with reciprocal trade and with tariff-reduction measures; and the record regarding the several acts will show that while the tax of 50 cents per hundredweight continued to be imposed on sugar as a processing tax, the import tax or tariff on sugar was reduced, as I have already said, in the first instance from 2 cents to 1½ cents, and subsequently to the present level of one-half a cent a pound. Except for the tariff, sugar imported into the United States from Cuba sells for identically the same price as that received for sugar produced in the United States.

Mr. President, it is completely idle to liken the program for sugar to the regular 90 percent price-support program which heretofore has been applied to some basic commodities, and is still being afforded to one basic commodity, namely, tobacco, and such protection is being afforded to some nonbasic commodities because in the case of those nonbasic commodities the producers have worked together and with our Government, and have not greatly increased production.

For instance, only yesterday the Secretary of Agriculture announced for the third consecutive year a 90 percent price support for naval stores, doing so on the ground that the naval stores industry had disciplined itself, and had not continued to produce surpluses, but, instead, had kept its production in line with demand during the last several years.

Mr. President, for a moment let us consider some of the other matters to which the Senator from Arkansas adverted yesterday.

First, in regard to conditioned payments by the Government and the list of those who received in excess of \$100,000 in such payments, which was placed in the RECORD by the Senator from Arkansas, I wish to call attention to the fact that the payment to the producers varies from 80 cents per hundredweight of raw sugar, in the case of the small producers who produce not more than 350 tons, down to 30 cents per hundredweight in the case of the really large producers of sugar. Mr. President, what could be more protective of the rights of the small producers of the Nation, than that provision? In all the price-support legislation of the United States, I know of no comparable provision which

so clearly operates in the protection of the small producers, as does this provision in this sugar measure.

Mr. President, the list of some 38 producers whose names were placed in the RECORD, will be found on page 1906 of the RECORD for yesterday. In 1954 each of those producers received more than \$100,000 in conditional payments. I may say that there are 39 instead of 38 listed as having received \$100,000 or more, but there are only 38 as to which the amount of tax paid and the other facts required to be furnished in that compilation appear. So there are really only 38 producers in that list whose figures are shown with respect to what they received and also with respect to the taxes they paid, and the profit they made.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, may I have 5 minutes additional?

Mr. LONG. I yield 5 additional minutes to the Senator from Florida.

Mr. HOLLAND. I hope Senators will look at the list on page 1906 of the RECORD of yesterday. They will find that exactly half of those producers, or 19 out of 38, would have been operating in the red if they had not been receiving some compliance payments. In other words, the compliance payment in the case of half those producers was greater than the total profit made. Certainly that ought to be a rather clear illustration of the fact that, without compliance payments, this industry would not be able to exist in this country.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question on that point?

Mr. HOLLAND. I shall be glad to yield when I conclude my statement.

Mr. FULBRIGHT. I am glad to yield 1 minute of my time to the Senator from Florida.

Mr. HOLLAND. I yield.

Mr. FULBRIGHT. Is it not true that, according to the table, there is only one company within the United States which shows a loss, namely, the Okeelanta Sugar Refinery, Inc.?

Mr. HOLLAND. The Senator is correct. There are two Florida companies shown, one of which is shown as operating at a loss, and the other of which is shown as operating at a profit.

Mr. FULBRIGHT. Is it not a fact that the Okeelanta Sugar Refinery, Inc., is the only mainland refining company which does not publish financial reports?

Mr. HOLLAND. I am unable to say.

Mr. FULBRIGHT. That was the information brought to me by our staff. I understand that that company does not publish reports. Therefore we cannot tell accurately what its situation is. It reported a loss without the compliance payments.

Mr. HOLLAND. For the information of the Senator, the Okeelanta Sugar Refinery, Inc., went through bankruptcy 3 or 4 years ago, and is now trying to get on its feet. It has demonstrated rather conclusively that the sugar business is an uncertain, indefinite, unsatisfactory business, and that certainly the compliance payments are required. In this

case, for this year, the Okeelanta Sugar Refining Co., Inc., was still operating in the red.

I invite attention to the fact that all 38 of these producers are producers of cane sugar. I remember that yesterday the Senator from Arkansas stated, on page 1896 of the RECORD, that beet sugar was uneconomical, unnatural, and, in fact, had no right to continue to exist as an industry in this country. However, he was gracious enough to say:

By and large, I think the cane-sugar industry in this country is quite similar to that in Cuba.

I invite the attention of the Senator from Arkansas and of other Senators to the fact that the 38 largest producers of cane sugar in this country show the following record: 19 of them would have been operating in the red in the prosperous year for sugar of 1954 if it had not been for the compliance payments.

Let me say something about the United States Sugar Corp., inasmuch as it was held up as being one which was profiting too greatly. The Senator from Arkansas does not know it, but I want him to know, and I want the RECORD to show, that the second year before the passage of the Jones-Costigan Act that organization went through bankruptcy.

I want the Senator to know that in 4 different years since the passage of the Jones-Costigan Act that company has been in dire straits, due in 2 instances, to floods, and in 2 other instances to freezes.

So the existence of this act, and of some price support under it, has been a life-and-death matter to even the best operators in the sugar industry. I think I am justified in saying that the United States Sugar Corp. is shown by this list to be one of the best organized and best operated companies in the business.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LONG. Does the Senator know that among the corporations pointed out by the Senator from Arkansas as making too much profit and not being deserving of a subsidy was a corporation under whose land oil had been discovered? Therefore the oil royalties account for half the revenues of the corporation. If it did not have the oil royalties, I suppose the corporation would be expected to close down and stop completely the production of sugar.

That corporation also operates a sugar refinery, and it is entitled to make a profit on its refinery, quite apart from the question of whether or not it should be engaged in the production of sugar.

Mr. HOLLAND. I understood that to be the situation.

Mr. LONG. That is the situation with reference to Southdown Sugar, Inc.

Mr. HOLLAND. The Senator is correct.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield me 5 additional minutes?

Mr. LONG. Mr. President, I yield the Senator from Florida an additional 5 minutes.

Mr. HOLLAND. In the case of the United States Sugar Corp., again the production of sugar is not the only business in which it is engaged. It is one of the largest cattle producers in our part of the country. The latest available figures show that its gross production of cattle—and the figures shown in the record are gross—was about \$1½ million.

Oil was also a factor entering into the revenue of the United States Sugar Corp.—not the actuality of oil, but the hope of oil. In connection with a large part of its acreage there were leases and production and exploration contracts, which accounted for a sizable part of its revenue.

It seems to me that we have a very clear picture of the fact that the sugar industry cannot operate without this special kind of support. The support has been carefully calculated so as not to cost the consumers additional money, but, on the contrary, to keep down prices. For example, we saw that in World War I, the price of sugar went up above 15 cents a pound, when there was no such structure as this.

Mr. President, I wish Senators to get the picture with reference to the United States Sugar Corp. It is the largest mainland producing company. It is a good citizen of our State. In drainage districts—and there are many drainage districts in our State—where the United States Sugar Corp. has property, frequently small producers are not able to pay their very heavy drainage tax. The United States Sugar Corp. has a fixed policy of advancing such taxes so that the bonds will not go in default. While repayment has been made in some instances, there are many instances in which the company has not been repaid.

Also, I learned from some of the small growers that during the recent freezes in Florida in December the United States Sugar Corp. had pooled its frozen acreage with the frozen acreage of the independent producers and had transferred all its harvesting equipment over into the area which had been frozen and is operating, on a share-and-share-alike basis, in cooperation with the independent growers in that area.

There are many other things which show that that organization was and is a good neighbor and a good citizen. However, I shall not discuss that situation further.

One further comment with reference to the United States Sugar Corp., and I will conclude my remarks on the proposed amendment. If anyone thinks this has been a bonanza to that corporation, a close look at the facts will, I am sure, convince him that such is not the case.

In 1953 the United States Sugar Corp. had 28,415 acres of sugar. It has been cut down yearly since that date until this year, 1956, it has been allotted 19,760 acres. It has had cut out 8,655 acres, or a reduction of 33 percent.

This is no easy business to keep going, but it has been found, under the Jones-Costigan Act and succeeding acts, that it is an important business, and that it should be continued. It is of extreme

importance that we have a continuation of domestic production in this Nation to free us from such situations as the one so vividly described by the former Secretary of Agriculture, the distinguished Senator from New Mexico [Mr. ANDERSON] in his statement of yesterday.

Mr. President, I hope the amendment will not be adopted. I regret the necessity for taking this much time. However, it seems to me that in this field we are completely justified in asking for an extension and revision of the present program, recognizing that life under it has not been easy, and recognizing that in both beet sugar producers and cane sugar producers we have industries which are great assets to our Nation and which need to be preserved and allowed to live in prosperous conditions.

I hope the Senate will reject the amendment of the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 17 minutes remaining.

Mr. FULBRIGHT. Mr. President, first, with regard to the referral of the bill to the Committee on Finance, if my memory serves me correctly, the distinguished Senator from Michigan, Mr. Vandenberg, in the 80th Congress, referred the sugar bill to the Committee on Agriculture and Forestry, where it should have gone. However, the Senate overruled him. It overruled him because of the outstanding strength of a group of Senators who were interested in sugar, especially because the distinguished Senator from Colorado [Mr. MILLIKIN] was chairman of that committee. Therefore it is quite obvious that there is no sacredness about the jurisdiction of the Committee on Finance over the bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. It is contrary to commonsense. We do not have to go further than that. It is essentially an agricultural matter. Certainly the Committee on Agriculture and Forestry has a better claim to such a bill than the Committee on Finance.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I shall be very glad to yield. However, as I say, we just differ about it, the Senator and I. The Senator from Florida certainly does not deny, does he, that the bill was referred by Senator Vandenberg, and that the Senator was overruled in that regard?

Mr. HOLLAND. I recall that incident well. I remember when the precedents were adduced, they showed that the bill had always been referred to the Committee on Finance, and the distinguished Presiding Officer of the Senate was overruled by the Senate because of the precedents in the case.

Mr. FULBRIGHT. I do not wish to argue the point any more. The Senator also well knows that in the House of Representatives the bill does go to the Committee on Agriculture and Forestry. The situation is perfectly ridiculous, Mr. President. The reason for it that a custom has grown up in the Senate, under

which such a bill has never been sent to the Committee on Agriculture and Forestry for study. In fact, the proponents of such a bill seem even to resent having the bill discussed on the floor. Last year they desired to pass it during the last few hours of the session, without debate. It ran afoul of a parliamentary difficulty.

The bill certainly should have been referred to the Committee on Agriculture and Forestry. It should have been treated in the same way that bills dealing with other segments of agriculture are dealt with. Sugar should receive justice, not preferential treatment. That is all my amendment would do. There is no reason why we should select a small group of enormously rich corporations and a scattering of small farmers and give them this kind of preferential treatment.

The Senator from Florida [Mr. HOLLAND] has strengthened my argument that this is an uneconomic industry. I did not realize, until his very enlightening speech drew our attention to it, that 19 companies would go broke if they did not have this handout. That clearly demonstrates the fact that without this artificial stimulus, those companies would fail. It is a clear demonstration that the industry should not be sustained. That is the whole trouble with the Senator's argument.

He talks about sugar being a strategic crop and about how necessary it is in time of war. I submit that it is obvious that it is much easier to get sugar from Cuba than from Hawaii. It is not one-third as far away. The sugar would come through Florida, and it would be beneficial to the Senator's own great port of Miami. I draw attention to page 1905 of the CONGRESSIONAL RECORD, which lists the very large and rich corporations, which have been drawing up to \$2 million in direct payments. One of the reasons we had to get the sugar in enormous quantities from Cuba during World War II was that we could not get sugar in sufficient quantities from Hawaii and the Philippines. That strategic argument does not hold water at all. The truth of the matter is that we are now spending enormous sums of money to keep alive a large industry in Hawaii, far from our shores, and at the same time we are punishing the local domestic industries, such as the producers of rice and wheat. Cuba buys both products in large quantities, as do other Latin American countries. That applies also to all kinds of machinery which is manufactured in the great State of Wisconsin and in other States. There is no question that every one of the Latin American countries, especially Cuba and Mexico and Peru, are our best customers. They take 90 cents out of every dollar they get, and with that money buy something else in the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. Is the Senator from Arkansas arguing that we should liquidate not only the sugar industry of Hawaii, but all the attendant activities and employment of American citizens

who are in the Territory of Hawaii, which I, at least, hope will eventually become a State, and liquidate the tremendous amount of agricultural labor and the labor in industry, both of which are dependent upon the beet sugar industry and the cane sugar industry in this country?

Mr. FULBRIGHT. The Senator from California could logically pursue his argument by saying that we ought to start a coffee industry in this country. Of course, we could also build hothouses and grow bananas. We could give employment in those industries, too. If we gave such industry enough of a handout, they, too, would survive.

Mr. KNOWLAND. I am sure the Senator is not serious.

Mr. FULBRIGHT. Well, that is the logical conclusion of the Senator's argument. I am not arguing that we should liquidate any industry. I simply argue that there is no sense in taking an industry which is poorly suited to our climate and our soil and giving it this kind of treatment in order to have it survive.

Nineteen of the corporations mentioned by the Senator from Florida would be in the red, or would be liquidated, if we did not give them artificial stimulus through direct payments, quotas, and tariff relief.

Mr. KNOWLAND. I am sure the Senator is familiar with the fact that if we had no domestic sugar industry and no domestic agriculture in this country and in Hawaii, the time would come when this country would have to pay through the nose under a situation similar to that which obtained with regard to rubber, when, during wartime other countries were able to get rubber at their own price and Americans had to pay a high price.

Mr. FULBRIGHT. The Senator was not in the Chamber when the Senator from New Mexico [Mr. ANDERSON] made his statement. Incidentally, he is in favor of the bill, but he said very clearly from his own experience that that was not so. He said that Cuba sold us enormous quantities of sugar at well below the world market price because of her regard for our country and because of her friendship. He said that both yesterday and today. What the Senator from California is saying is just not so. Cuba has cooperated and kept the price down in time of need. I do not wish to repeat all that has been said on that subject.

In this bill we are beginning to cut Cuba's throat. Of course, if we continue to do it, we will have to grow our own sugar. Unfortunately, if we continue this kind of policy, no country in the free world will be able to trade with us. We will isolate ourselves from all the friendly countries of the world. Apparently we are determined to become completely self-sufficient and not trade with anyone else. What has happened in Burma and Egypt with regard to Russia will inevitably happen in the other half of our own hemisphere. It is certainly very bad for our foreign relations to go along that route. Besides, it is bad economics. With regard to liquidating an industry, it is true that some sugar corporations may have to go out of business.

By the same token, if we purchase sugar from these other nations, they will purchase more of our products. The figures which I placed in the RECORD show a very close relationship to the selling of other agricultural commodities. That is why we should look not merely at sugar. We should see what has happened to other fields of agriculture.

For example, from the State of the Senator from North Dakota [Mr. YOUNG], wheat is sold to Central America. If we exclude their sugar in order to help growers in Utah and California, we foreclose the wheat growers in North Dakota from selling wheat to Cuba.

Mr. YOUNG. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. YOUNG. Does the Senator contend that wheat farmers in the United States can compete on an equal basis with cheaper labor in Canada, or that cattle growers can compete on an equal basis with cattle growers in South America? If such a thing were attempted, we would have practically no agriculture in this country.

Mr. FULBRIGHT. As a realistic matter, I do not say that we could immediately and suddenly abolish all our tariffs. However, I do not accept the Senator's basic thesis that this country is so inefficient or stupid that it cannot compete with any other country and that everything we produce must be protected.

I think, in a transitional period, we must protect infant industries, in order that they can become efficient producers. Of course, some protection is needed in that case. But I think, among the nations of the free world, it is important that we do some trading and that we should not go out of our way to create an industry for which we are poorly suited by climate and soil. I have no doubt that in Louisiana and Florida, if we wanted to spend the necessary money, we could grow all the bananas we need at probably twice the price we now have to pay for that product. It is the same way with sugar.

The trouble is that we are helping only 60,000 people who are engaged in the sugar industry and are, at the same time, injuring in an uncalculable way many more people interested in other industries. When we begin to interfere with the natural productivity of a country, it usually has that effect.

Let me say to the Senator from California [Mr. KNOWLAND] that I think experience will show that when we increase trade in other commodities it offsets whatever liquidation takes place in sugar production. That is the whole thesis of expanded trade. That is the whole idea of trade, not aid. But here is a complete contradiction of the idea of trade, not aid. If we are going to cut off all trade, we will become completely isolated economically and eventually politically.

Mr. DWORSHAK. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. Yesterday the Senator made the statement that the beet-sugar industry is uneconomic and

unnatural, and he made the claim that we should not produce any sugar domestically because we can get sugar which is produced abroad at a lesser figure. Is it not true, then, that we should shut down on the production of oil and purchase all our oil in the Near East where it can be produced at one-fifth of what it can be produced for in this country? Should not the oil industry be placed in the same category with sugar?

Mr. FULBRIGHT. Are we giving aid to the oil industry comparable to that given to the sugar industry?

Mr. DWORSHAK. The Senator is in a better position to answer that question than I am, knowing that the oil industry receives a 27½ percent depletion allowance. I am not going to argue that point. But I say the charge that the sugar industry receives a subsidy from the Federal Treasury is incorrect and untrue.

Mr. FULBRIGHT. It certainly appears on the books of the Treasury. There is a very substantial amount paid to the sugar industry.

Mr. LONG. Mr. President, how much more time remains?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). The Senator from Arkansas has 3 minutes remaining, and the Senator from Louisiana has 4 minutes remaining.

Mr. LONG. Mr. President, the Senator from Arkansas has argued that the domestic sugar industry should go out of business, if I properly understood his argument. I should like to invite the attention of the Senate to the fact that there are 282,000 field workers in the United States and its possessions who are engaged in the production of sugar. Those are only field workers. Of that number of workers, 145,000 are in Puerto Rico. Puerto Rico enjoys the same benefits under the Sugar Act as our producers enjoy.

I would be curious to know how we expect the producers to exist when they find the price of sugar has been cut 25 percent. Perhaps the Senator from Arkansas would like to see the wheat producers reduced about one-third. To me it does not make good sense.

A great number of farmers produce sugar. I understand the Senator would like to benefit the rice producers at the expense of the sugar producers. Is Arkansas prepared to reduce its rice acreage? Every single acre in Louisiana could be used in the production of rice. If the Senator would like to know why there is a large surplus of rice, let me say that one of the principal reasons is that when the cane producers were cut back they have tried to produce rice.

The Senator picks out the Southdown Corp. which is making a profit of 12 percent. Part of that is from oil royalties discovered under the land. If there is not some subsidy for the domestic industry I assume it would have to close down. It would not particularly benefit us; it would not even benefit the Cubans, because they are in a position to sell their sugar at a net price of about 5 cents as against the world market price of 3¼ cents, and they have a large surplus on hand which they cannot dispose of.

If we were to ask the Cubans I am sure they would tell us that the last thing they want to see is the destruction of the American Sugar Act. Therefore, Mr. President, I rather doubt that we can find any nation in the world which would care to see the act repealed and the production of sugar come to an end.

Mr. FULBRIGHT. Mr. President, the amendment I have offered does not liquidate anyone. It merely asks that the sugar producers take a 90-percent support, the same as in the case of cotton, wheat, rice, and peanuts. The Senator thinks that is good enough for the cotton grower. Why is it not good enough for the sugar grower?

Mr. LONG. I have heard the argument of the Senator that we should quit the production of sugar in the United States. What the Senator wants to do is to put the sugar producers out of business completely.

Mr. FULBRIGHT. Not at all.

Mr. LONG. That is what the amendment would do.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. FULBRIGHT. Mr. President, I would say to the Senator, since he has put words into my mouth, that my amendment is a simple amendment which provides that we should treat sugar no better than cotton is treated. I am sure the Senator has many cotton constituents and rice constituents.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. In just a moment. Consider the United States Sugar Corp. in Florida. It had a profit last year of more than \$5 million. Why the little housewife should be penalized to the extent of 2 or 3 cents a pound in order to pay the United States Sugar Corp. \$750,000 on top of \$4,500,000 is beyond me. It makes no sense. All I am asking in this amendment is, Why not take 90 percent supports for sugar, as the producers of other crops do? We in Arkansas would be delighted if we could get back to 90 percent for our rice and cotton. I think the amendment is fair.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BARRETT. I am advised that cotton which is just as good as any cotton that can be produced in the United States can be grown in Egypt at a mere fraction of the cost at which it can be produced in Arkansas or any other State which grows cotton.

I am also advised that that cotton can be sent to Japan for processing into cotton goods at about 15 or 20 percent of the cost to make those goods in this country.

Does the Senator from Arkansas believe it would be in the best interest of the consumers of the United States to have the cotton producers of America get out of the cotton business, to have the cotton grown in Egypt, to have the processors or manufacturers of cotton in the United States get out of the manufacturing business, and to import the finished cotton products from Japan?

Mr. FULBRIGHT. I do not accept the Senator's advice. He is misinformed when he says the cotton producers in Arkansas are inefficient, and that American production, not only of cotton but of other commodities, cannot compete with the products of other countries.

The cotton producers of Arkansas until recently competed with the producers of the world. The Senator knows that support prices and other situations have created conditions under which cotton is not competitive. But there has been and is at present in progress a review of that program, which has caused the dislocation.

For 150 years American cotton has competed with the cotton from any other nation. Cotton was not built up on a Government subsidy. Cotton was not built up by placing an embargo on importations and on handouts from the Federal Treasury. Until very recently, as the Senator from Wyoming well knows, none of the basic commodities were in that condition.

Mr. BARRETT. The Senator has been told repeatedly on the floor that this is not a subsidy from the Federal Treasury on sugar.

Mr. FULBRIGHT. Anyone who wishes to believe that is welcome to do so. The figures will not support such a statement.

The PRESIDING OFFICER. All time on the amendment offered by the Senator from Arkansas has expired. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was rejected.

Mr. BENNETT. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Utah.

The CHIEF CLERK. On page 13, beginning with the table following line 2, it is proposed to strike out through line 7 and insert in lieu thereof the following:

Country:	Percent
Cuba	33.8
Other countries	11.2
Total	45.0

The above proration of 11.2 per centum to foreign countries other than Cuba and the Republic of the Philippines shall be apportioned on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

Mr. BENNETT. Mr. President, I yield myself 3 minutes. I had hoped to get the floor to offer this amendment immediately after the amendment offered by the Senator from Indiana was rejected by the Senate, but I have been unable to do so until now.

This simple amendment gives Cuba the share which the Senate bill gives her, but divides the share of the other full-duty countries in accordance with their historic percentages. We have been over the problem. I think Members of the Senate expressed themselves fully on the subject during the debate on the Capehart amendment. It is not my intention to ask for a yea-and-nay

vote on the amendment. However, the administration still feels that it would like to be free to proceed in its relations with the full-duty countries on the basis of their historic record, rather than on the basis of the division as accepted by the committee.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. BYRD. Is the Senator's amendment practically the same as the Capehart amendment?

Mr. BENNETT. It sets the quota for Cuba at 33.8 percent. It takes Cuba out of the discussion entirely, and then would divide the remaining tonnage among the full-duty countries in the same way as the Capehart amendment would have divided it.

Mr. BYRD. The Capehart amendment was defeated.

Mr. BENNETT. The Capehart amendment was defeated, and I recognize that my amendment probably will be defeated. But the administration is anxious to give the Senate an opportunity to vote on the amendment for the purpose of the RECORD.

I have no further statement to make on the amendment. I hope that without further discussion the Senate may vote.

The PRESIDING OFFICER. Does the Senator from Utah yield back the remainder of his time?

Mr. BENNETT. I yield back the remainder of my time.

Mr. BYRD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. BENNETT]. [Putting the question.] The "ayes" seem to have it.

SEVERAL SENATORS. Mr. President, a division.

The PRESIDING OFFICER. Without objection, the Senate will divide.

On a division, the amendment was rejected.

Mr. FULBRIGHT. Mr. President, I call up my amendment designated 2-7-56-B and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Arkansas.

The CHIEF CLERK. On page 25, line 10, it is proposed to strike out "1962" and insert in lieu thereof "1958."

On page 25, line 14, it is proposed to strike out "1963" and insert in lieu thereof "1959."

On page 19, lines 10 and 11, it is proposed to strike out "and for each subsequent calendar year."

Mr. FULBRIGHT. Mr. President, the amendment merely limits the extension of the bill to 2 years instead of 6. It seems to me that it would be very unwise to commit the Senate and the country for such a long period, when so many things could happen which might cause great dislocation in our trade with the various countries involved. I think this kind of legislation should be reviewed more often than every 6 years.

I ask that the Senate agree to the amendment.

Mr. LONG. Mr. President, I hope the amendment will be rejected. Those who plant sugarcane and all the nations which sell sugar to the United States are engaged in the planting of sugarcane—must plant their crop on a 3-year basis. In other words, from the time the cane is planted until it is finally harvested, 3 years are required. The planters need to make their plans ahead of time, based on the market available to them.

Mr. FULBRIGHT. Mr. President, would the Senator accept a 3-year limitation?

Mr. LONG. No; I would not.

Mr. FULBRIGHT. I thought the Senator was making the argument that 3 years were needed.

Mr. LONG. This point itself indicates that the nations trading with the United States need to plant on a fairly long-term basis and need to know in advance what markets will be available to them when they clear new land in order to make sugar available.

I hope the amendment will be rejected.

The PRESIDING OFFICER. Do both sides yield back the remainder of their time?

Mr. LONG. I yield back the remainder of the time in opposition to the amendment.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MAGNUSON. Mr. President, I call up my amendment 1-12-56-A and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Washington.

The CHIEF CLERK. On page 3, line 3, after "Sec. 6", it is proposed to insert "(a)."

On page 4, after line 10, it is proposed to insert the following new subsection:

(b) The Secretary of Agriculture is authorized and directed to set aside, out of the increases provided by the amendment made by this section in the quota for domestic beet sugar, a reasonable amount to be used as a reserve for establishing or adjusting proportionate shares for farms on reclamation projects on which new acreage suitable for production of sugar beets has been made available.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that I may modify my amendment on page 1, lines 4 and 5, by striking out the words "and directed".

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Is that the Senator's own modification to his amendment?

Mr. MAGNUSON. Yes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the amendment will be modified as requested.

Mr. MAGNUSON. Mr. President, the purpose of the amendment, with the words "and directed" taken out, is merely to authorize the Secretary of Agriculture, in his discretion, to set aside, in certain cases, a reasonable amount of land for sugar-beet production. He might decide not to set aside an acre. He might find it reasonable to set aside a few acres on new lands. The amendment is primarily directed to lands in the West which are under irrigation and reclamation. In the Columbia Basin in my own State, as well as in lands in Utah, Wyoming, and Idaho, the Government has spent great sums of money—in the Columbia Basin alone over a half billion dollars—to reclaim land for small, family-size farms, the average being from 25 to 30 acres, where land-owners or tenants on the land have agreed to pay back money which they have invested in the land.

Most of the farms are small ones and are occupied by veterans who had priorities and who were encouraged to occupy the lands by the Department of Agriculture, the Department of Interior, and all the other agencies involved, and start small family farms. They were encouraged in some cases to grow sugar beets. Sugar beets would be a very small cash crop. Under the bill 1 percent for new lands is provided. Those lands would be located in the States of Washington, Wyoming, Utah, and Idaho, and would comprise such a small amount that it would not take care of any of the new settlers. Sugar beets would be what is termed a cash crop.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. Would the Senator be willing to restrict his amendment to beet sugar? We have no reclamation projects in Louisiana or Florida which might be used to divert some of our cane sugar acreage.

Mr. MAGNUSON. I would be willing to restrict my amendment to beet sugar, because that is all I am talking about.

Mr. HOLLAND. Will the Senator so modify his amendment?

Mr. MAGNUSON. I so modify my amendment.

The PRESIDING OFFICER. The Senator from Washington modifies his amendment accordingly.

Mr. MAGNUSON. Mr. President, I used the word "sugar." We do not raise cane sugar. I have listened to the debate concerning foreign countries. It seems to me we have been pretty liberal with foreign countries providing them sugar quotas. We surely have some responsibility to take care of veterans who were almost pushed upon the land to which I have referred and who were encouraged to take up farming there. It seems to me we could at least take a step which would enable them to pay back and make good their obligation to the Government by allowing the Secretary of Agriculture discretion in some cases to allocate a very, very small proportion of sugar production to these farmers. About 92 percent of the persons who go on these small tracts are veterans.

The distinguished Senator from Utah said to me a few moments ago that there

would not be any unused land. In that event the Secretary of Agriculture would make no allotments to sugar beet production to new lands. All I am asking is that the Secretary of Agriculture have discretion and authority in cases—and they are very few—where the land is available and the Government is encouraging the farmers to raise sugar beets on it. We spent millions of dollars so that the land could be utilized. I think we have a greater obligation to those farmers than we have to Cuba, Peru, and other foreign countries. The quota involved would be less than 1 percent of the amount being allotted to foreign countries. It seems to me we owe an obligation first to our own people.

I know the historic growers of sugar beets probably will oppose the amendment. Senators who have in their States more historic growers of sugar beets than there are in my State have talked to me about it. However, I am sure that a fair analysis of the amendment will convince them that new farmers, who are mainly young married people on these reclaimed lands should have a chance to benefit from this apparently very important agricultural crop.

I think we have been very liberal with foreign countries. I am perfectly willing to vote to help them, but, surely, the Secretary of Agriculture should have some discretion so that he can take care of this problem affecting irrigated lands on which we have spent hundreds of millions of dollars.

There will be such farmers in Wyoming. They are primarily young people and veterans. The amendment would give the Secretary of Agriculture discretionary authority to set aside some lands for sugar-beet production. Perhaps in a given year he would not set any land aside.

I voted for the Fulbright amendment for 2 years. If the bill as it now is before the Senate, is passed the farmers to whom I have made reference will never have a chance to come under the program. If the amendment is not adopted, we will be saying to American veterans who are encouraged to go into farming, "You shall not be allowed to enjoy the benefits of this law under any circumstances, because we have given so much to foreign countries. You shall not be allowed to devote 1 acre to sugar beets."

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BARRETT. Yesterday I stated on the floor of the Senate that 42,000 acres out of a total acreage of 850,000 acres were not planted last year. I suggested that it was the duty of the Department of Agriculture to reallocate those divested acres to other States. If the Department of Agriculture did that, there would be acreage which would be available for people in the State of Washington and in my State. I may say to the Senator that I agree wholeheartedly with him.

Mr. MAGNUSON. I have stricken from my amendment the words "and directed." I think the Secretary of Agriculture should have leeway. It might be that in a given year he might not

care to use his authority. But, without the amendment, the bill would foreclose new farmers for 6 years. They are usually young married people who have gone on the land to farm. We would be saying to them, "You shall not raise one single sugar beet." I think that is unfair.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. Does the Senator refer to land which has been brought in under Government projects?

Mr. MAGNUSON. Yes.

Mr. FULBRIGHT. The situation is that we have appropriated large sums to bring the land under cultivation, and now we are asked to give a special subsidy to grow beets on it. Is that correct?

Mr. MAGNUSON. We would not give the farmers on the land subsidies. We would merely allow them to grow beets.

Mr. FULBRIGHT. They would not receive payments for their production. Is that correct?

Mr. MAGNUSON. I do not know what payments they would receive. I suppose they would receive the same payments received by other beet growers. This is land on which they have invested money, and they wish to pay back their obligations.

Mr. FULBRIGHT. From payments received for growing beets?

Mr. MAGNUSON. This is the most productive land in the whole United States.

Mr. DWORSHAK. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. I am in thorough sympathy with the objectives of the amendment offered by the Senator from Washington, but under our restrictive sugar program probably after a man gets through fighting for his country, we are placed in the embarrassing position of encouraging him to take his family and go to Cuba or some other country in order to produce sugar.

Mr. MAGNUSON. He might go to Peru and raise sugar. Cuba is a little overcrowded, but he might go to Peru.

Mr. DWORSHAK. He can fight for his country, but cannot grow sugar for Americans to consume.

Mr. MAGNUSON. My amendment does not in any way touch the quotas which the committee has wisely set; it merely provides that the Secretary of Agriculture may, if he finds a way, under given circumstances, allot to a few farmers just a little bit of the sugar production. The amendment gives him authority to do so.

Mr. President, I have some time remaining, have I not?

The PRESIDING OFFICER. The Senator has.

The Chair suggests that the language of the amendment is limited to beet sugar, so it is not necessary to amend the amendment in order to take care of the point suggested by the Senator from Florida.

Mr. MAGNUSON. That is correct; and we are not going to raise any cane sugar.

Mr. FULBRIGHT. How about bananas?

Mr. MAGNUSON. We might raise some bananas. [Laughter.]

Mr. President, I wish to read a letter which came to me from the Columbia Basin Commission. The letter does not come from a chamber of commerce, but comes from the official State of Washington agency charged with operation of the Columbia Basin. Naturally, they are the ones who have made the suggestion. The letter reads as follows:

STATE OF WASHINGTON,
COLUMBIA BASIN COMMISSION,
Ephrata, Wash., February 2, 1956.
Senator WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Thank you very much for your telegram yesterday and the assurance that you will continue the effort to get sugar beets for the basin when the sugar legislation reaches the floor of the Senate. I want to thank you again for the excellent help and cooperation that you gave us when the effort was made to get committee approval in the hearing before the Senate Finance Committee.

The committee's action was somewhat of a shock to the Columbia Basin, and farmers here are constantly calling meetings to consider what to do. There is no doubt but that the growers here feel that the right to grow sugar beets is one of the most important, if not the most important, need at the present time. There are many who even put sugar beets ahead of appropriations and farm financing. I have assured them that you are doing everything possible to get that right for us.

In meetings held by water users Tuesday and Wednesday, there were expressions indicating that the farmers could not go along with the stand of the committee, which reportedly said that the amendment called for earmarking beet acreage and would cause inequalities and ineffectiveness in administering the act. To say that we are asking for special privileges is to say that we are asking for nothing more than the old growers are asking for and obviously expect to get. The legislation as it now stands certainly gives them special consideration by assigning all of the normal-growth factor to them if they want it and even keeps acreage from new growers if the old growers don't want it.

We are not asking and never have asked that any definite acreage be earmarked for the Columbia Basin or any other project. We just don't want to be discriminated against to the point where we cannot get acreage which it seems to us this legislation does. We only want the right to get acreage on a basis equal to everyone else, and we believe we can sell our proposition to processors and others.

There is a great fear out here that if the legislation passes without your amendment, we will be out in the cold for so long that it will be questionable whether some of our farmers can survive. The legislation as it now stands, continues this Sugar Act until 1962, and if we are denied sugar beets until then, we will have to face an obstacle that could easily be disastrous.

I am sure that you understand the condition here very well, and in behalf of the Columbia Basin farmers and at their request, I am asking that you do everything you can for us. I want you to know, too, that I personally realize the magnitude of the task we are asking you to perform, but I am not sure that everyone out here is aware of that.

We talked quite at length with Senator MOSE when we were there, explaining our sugar problem to him, and I believe we have his wholehearted support, and he said he would do whatever he could to help us.

If there is anything that you can suggest that we should do, we will certainly be very glad to do it. Again I want to thank you for the splendid cooperation you have given us in the past.

Yours very truly,

HUBERT H. WALTER,
Administrative Assistant.

In the letter, Mr. President, I emphasize particularly the sentence:

The legislation as it now stands certainly gives them special consideration by assigning all of the normal growth factor to them if they want it and even keeps acreage from new growers if the old growers don't want it.

That is the point I made before.

Mr. JACKSON. Mr. President, will my colleague yield to me?

Mr. MAGNUSON. I yield.

Mr. JACKSON. I desire to thank my colleague for the very fine statement he has made, and I wish to join him in advocacy of the amendment.

Mr. MAGNUSON. I thank my colleague.

Mr. FULBRIGHT. Mr. President, will the Senator from Washington yield to me?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. I am very happy to support the amendment. If there is to be an increase, I think the veterans should have an opportunity to receive some of the acreage.

Mr. MAGNUSON. I thank the Senator from Arkansas.

Mr. HOLLAND. Mr. President, will the Senator from Washington yield to me?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. I thank the Senator from Washington for yielding to me.

I wish the RECORD to show, in connection with my request that the Senator's amendment be limited to beet sugar, that two things are true regarding our cane-sugar acreage: First, there are no reclamation projects at all in the States of Florida and Louisiana; second, the average yield per acre has increased so greatly that, in the case of my State it has caused a drastic reduction of acres. I hold in my hand a statement concerning a typical grower in Florida, which shows, between 1953 and 1956, a loss of 33 percent of the acreage of productive cane-sugar area belonging to that grower, solely due to the production of more tons of sugar per acre. So in recent years the process has been one of constant shrinkage, insofar as the acreage he has employed is concerned.

Mr. BENNETT addressed the Chair.

Mr. LONG. Mr. President, I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, I should like to have the attention of the two Senators from Washington, in particular, as well as the attention of my other colleagues.

I read now from paragraph (b) of section 302 of the Sugar Act of 1948, as amended; this is the present law. I shall read the entire paragraph, but the end of the paragraph is the most important part:

(b) In determining the proportionate shares with respect to a farm, the Secretary

may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall—

The word was "may" at first, but now it is "shall"—

insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

I think the Secretary already has all the authority this amendment could convey to him, for he is instructed to "protect the interests of new producers."

I hope we will continue to depend upon this very clear statement in the law, rather than to adopt this amendment.

Mr. MAGNUSON. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I am glad to yield.

Mr. MAGNUSON. I am familiar with that section, but that applies to the 1 percent.

Mr. BENNETT. No, it says nothing about the 1 percent.

Mr. MAGNUSON. But does not the act provide 1 percent for new acreage?

Mr. BENNETT. It says:

The Secretary shall, insofar as practicable, protect the interests of new producers and small producers.

Mr. MAGNUSON. But does not that provision apply to the 1 percent? The Secretary has leeway only to the extent of the 1 percent, does he not?

Mr. BENNETT. I understand that is a plain statement of general power.

Mr. MAGNUSON. But in that case he has a leeway of only 1 percent.

Mr. BENNETT. The decision to limit it to 1 percent was an administrative decision. So the Secretary has the power to change his own administrative decision, and to increase that amount in the State of Washington, for new producers, if he wishes to do so.

Mr. MAGNUSON. I can read to the Senator from Utah the testimony of those who feel that he did not have that authority or, if he did, that it would apply to only 1 percent, which is less than 300 acres in my State.

Mr. BENNETT. That is a problem of administrative solution.

If the representatives of the Columbia Basin Commission could present their problem to the Secretary, in view of this new legislation, I am sure he would give them sympathetic consideration. But I do not think anything would be added to his present powers by the amendment.

Mr. MAGNUSON. I think the amendment would add to his present powers. The best information I obtain from the persons concerned is that adoption of this amendment is necessary for them.

Mr. LONG. Mr. President, I yield back the remainder of the time under my control.

Mr. MAGNUSON. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All time available has either been consumed or yielded back.

The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON]. [Putting the question.]

The amendment was rejected.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no further amendment, the question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. KNOWLAND. Mr. President, under the unanimous-consent agreement, I understand that time is available for debate on the question of final passage, and is under the control of the majority leader and the minority leader, respectively.

Unless some Senators desire to submit requests for time to the minority leader, the minority leader is prepared to yield back the time under his control, if the acting majority leader is prepared to do likewise.

Mr. CLEMENTS. Mr. President, the acting majority leader is in complete accord with that suggestion, except he understands that one Senator desires to make some comments.

Mr. KNOWLAND. In fact, several Senators on this side are in the same situation.

Mr. President, at this point I yield 2 minutes to the distinguished junior Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 2 minutes.

Mr. ALLOTT. Mr. President, during the past 2 days we have completed consideration of what is commonly known as the Sugar Act. It has been a very technical, very detailed, and a very toilsome process.

I believe I speak for all those in the West, particularly, when I extend to the junior Senator from Utah [Mr. BENNETT] our thanks for the magnificent and scholarly way in which he has handled this very complex subject. All citizens of the country who grow sugar cane or beets are indebted to him for the masterly way in which he has handled this legislation on the floor; and I am happy and proud to have this opportunity to congratulate him.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. BARRETT. I wish to join the distinguished Senator from Colorado in commending the junior Senator from Utah for his untiring efforts, not only while the bill has been under consideration in the Senate this week, but during the past year, in preparing the bill for presentation on the floor of the Senate. I think he has done an admirable job. He is entitled to great credit, and I am happy to join with the distinguished Senator from Colorado in commending him.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. WATKINS. Mr. President, will the Senator from California yield to me 5 minutes?

Mr. KNOWLAND. I yield 5 minutes to the Senator from Utah.

Mr. WATKINS. Mr. President, I am delighted to hear the statements of the Senator from Colorado [Mr. ALLOTT] and the Senator from Wyoming [Mr. BARRETT] with respect to my colleague from Utah [Mr. BENNETT]. I wish to join with them in the commendation they have expressed for the very fine work he has performed in connection with this problem. He has worked for more than a year in an effort to develop a program which would be satisfactory to the sugar producers of the United States, to Members of Congress, and to the administration, particularly the State Department.

He has had a difficult task, and he has executed it with a great deal of ability and efficiency. In the beginning there was such a difference of opinion among various groups that it seemed impossible to bring them into agreement. Largely as a result of the work of my colleague, we have now arrived at the point where we can say that his work in that field has been very successful. We now commend him for the work he has done.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. POTTER. I join the distinguished senior Senator from Utah in his commendation of the junior Senator from Utah for his work in connection with the extension of the Sugar Act.

The extension of this act means a great deal to the sugar beet growers of the State of Michigan; and I wish to join my colleague in commending not only the junior Senator from Utah, but also members of the Committee on Finance, for bringing forth a bill which, possibly, some of us would like to have seen a little different, but which, of necessity, must represent a compromise. I join heartily in the commendation.

Mr. WATKINS. Mr. President, I had prepared a statement to make on the particular measure now before the Senate. The points which I had intended to discuss have been discussed by various other Senators during the 2 days' debate, so I shall not read the statement which I have prepared, but I ask unanimous consent that it may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WATKINS

I urge the Senate to pass H. R. 7030, as amended by the Finance Committee. I shall be brief and will limit my remarks to a discussion of why, as provided by the Finance Committee amendment, American farmers ought to be given a larger share of the production needed to meet our growing domestic sugar requirements.

The demand for sugar, as we all know, has continued to increase as our population has increased. One authority has estimated this increase to be 135,000 short tons, raw value

per year based upon an annual 2.5 million addition to total population, which has been the annual increase for several years. Per capita sugar consumption has also increased over the years from 18 pounds to 96.2 pounds during the period 1860-1954, which also saw our total population increase from 31.4 million to some 164 million.

So that the Senate may have a concise but comprehensive picture of the domestic sugar industry, which will be affected by the action it takes, let me digress just a moment and call these facts to its attention:

1. Sugar beets are grown as a cash crop in 22 of our western and north central States on some 27,965 farms. In 1954, the latest year for which reliable figures are available, the total farm value of the beet crop was \$185,828,000.

2. Sugarcane grown for sugar was grown as a cash crop on 3,908 farms in Louisiana and Florida during 1954 with a total farm value of \$55,713,000.

3. In 1955 there were some 70-odd sugar beet factories in operation, 57 cane mills, and some refineries. The investment in land, plant, and equipment, which this part of the sugar industry represents, totaled over one-third of a billion dollars.

4. Some 300,000 seasonal workers are given employment during the planting and harvesting season; some 70,000 plant workers depend for a livelihood upon the production of domestic sugar; and some 50,000 producers depend upon sugar beets and cane for a large part of their cash income.

5. Domestic consumers have benefited pricewise from the operation of the Sugar Act and domestic sugar production. For example, I should like to point out that whereas sugar cost 13.5 cents per pound in 1870, we consumers paid only 8 cents per pound in 1953. Relative to other food prices, sugar prices have risen less since 1940. According to the Bureau of Labor Statistics wholesale price index the combined 1952 price of all foods was 254 percent of the 1940 prices; sugar by comparison was only 195 percent of the price prevailing in 1940.

I should like to take a minute or two and point out the importance an expanded domestic sugar-beet industry has to western agriculture. As you know, one of the major problems which has served to help pile up the burdensome \$8 billion surpluses, which the Commodity Credit Corporation now has on hand, is that a great many farmers lack substantial diversified production opportunities. They continue to produce the same crop regardless of the price received, regardless of supplies already on hand, and regardless of what it does in the way of "mining" our soil reserves.

In western agriculture, the growing of sugar beets is important in maintaining diversified or rotation farming. This is so because—

1. Sugar beets return everything they take from the soil. They serve to promote soil equilibrium when grown in rotation with hay, grains, and legumes.

2. As Senators know, the major agricultural industry of the intermountain area is livestock production. In Utah, farmers derived in 1954 some 70 percent of their income from that source compared to a national average of 55 percent. The byproducts of beet sugar—tops, molasses, and pulp—provide a rich and very necessary source of supplemental feed for livestock in an area generally considered to be a deficit feed area. Experiments carried out at our Western States experiment stations show that the byproducts from 1 acre of beets, if properly fed, will produce 300 pounds of meat.

I should like to point out in this connection that per capita beef consumption has increased some 24 pounds since 1950.

The Department of Agriculture estimates that by 1960 we will need 2 billion more pounds of meat each year if our projected

population requirements are to be met. It is estimated that by 1975 beef production will need to be increased 46 percent over that prevailing in 1950 to meet consumer demand. This will require more feeder livestock for finishing in the Midwest and on the west coast. As Senators know, the bulk of cattle in our area is not slaughter cattle. Rather the great ranges of our mountains and desert areas primarily produce feeder cattle. But in order to build larger breeding herds to meet future needs more feed is going to be required especially for winter feeding. It is in this respect that the byproducts of sugar beets—tops, pulp, and molasses—play such an important role. Greater amounts will be needed in the future and this requires obviously a larger acreage allotment for the production of domestic sugar beets. I should like also to point out that the bulk of the grains, legumes, and hay produced in rotation with sugar beets in the Western States are likewise fed to livestock. They do not find their way to Government warehouses in any appreciable quantity.

The present Sugar Act quota provisions, however, restricts the domestic beet area's production to only 1,800,000 short tons, raw value based upon an annual estimated need of 8 million short tons raw value. Although the actual distribution required to meet our needs actually exceeded this statutory estimate of 8 million tons in 1952, 1953, 1954, and 1955, respectively. Unless this quota is adjusted upward, as provided by the Finance Committee Amendment to H. R. 7030, the following adverse effects upon western agriculture and the Nation as a whole will readily become more apparent:

1. A further decline in farm income.
2. Less not more diversified agriculture with continued loss of flexibility in planting alternatives and less opportunity for farmers to take advantage of more favorable prices.
3. Continued deterioration of our soil and water resources at a very time when all of us are interested in maintaining soil fertility for future use.
4. Adverse effect upon livestock production for future projected needs.

The present law serves to deny domestic beet and cane producers an opportunity to expand, to grow, and to develop. This restriction upon acreage in the beet areas coupled with technological progress in beet farming has served to work real hardships on farmers at a time when every sector of the economy except agriculture is enjoying unprecedented prosperity and economic growth.

New seed strains, use of fertilizers, better methods of cultivation resulted in an increased yield per acre from 13.6 tons in 1948 to 16.0 tons in 1954. Expressed another way, the average yield, raw value, per planted acre for the three years ending in 1950 was 1.92 tons. For the three year period ending in 1954, that yield per planted acre increased to 2.2 tons—a 15 percent gain. The effect of technological development for output is easy to see. For example, the acreage of sugar beets in 1954 was 878,000 acres, yet the production was 1,998,000 short tons, raw value—198,000 short tons in excess of its quota.

This has necessitated a decrease in the acreage allotment required to meet the domestic beet areas quota of 180,000 tons raw value. For example, the beet acreage in 1954 was 944,000 acres and for 1955 it was set at 850,000 acres—a 10 percent decrease.

Because of acreage restrictions, two adverse situations have resulted:

1. Acreage released from sugar beet production have been diverted to the production of other crops, many of which were already in surplus and which were under price support during a period which saw the parity ratio fall from 92 percent in December 1953 to 80 in December 1955.

2. Large numbers of farmers have simply had to stop producing beets because their allotments are so small that it is not economical to produce them. Labor costs are too high if the beets must be hoed, thinned, and topped by hand, and it doesn't pay to buy expensive mechanical equipment to do these jobs unless it can be applied to the optimum sized land area which can reduce per unit costs of output to the lowest possible point.

Yet on the other hand, acreage restrictions and low prices for other alternative crops have created a great demand by farmers for an adequate proportionate share of the domestic sugarbeet quota.

When farmers have several crop production alternatives, their choices are largely determined, other things being equal (resources, know-how, etc.), by the price relationship between these various alternatives. When one examines these relationships in terms of the farm price as a percentage of the parity price, it is not too difficult to see why farmers in our domestic beet areas are demanding, and I believe rightly so, an opportunity to grow beets.

For example, while the price of sugar for the years 1948–54 has averaged 93 percent of parity as of November 1955, the price of sugar stood at 98 percent of parity. Compare this with the parity prices of other crops grown in rotation with sugar beets:

1. Barley: Parity price has declined from 81 to 69 percent of parity 1954 to 1955.
2. Oats: Parity price declined during the same period from 88 percent to 74 percent of parity.
3. Grain sorghums: Declined from 87 to 69 percent of parity.
4. Potatoes: Parity price has declined from 70 percent in 1954 to 57 in 1955.
5. Beans: From 93 to 73 percent of parity.

Certainly, we can recognize the need, in light of the sober facts I have presented, to permit American farmers to supply a larger percent of our domestic sugar needs than that permitted by the Sugar Act of 1948. Farmers caught in a cost-price squeeze, as they have been since soon after the end of the Korean war, ought to have the greatest possible freedom and flexibility to produce those commodities in growing demand, which offer the best income alternative. The production of sugar beets, as these figures indicate, is one such bright alternative.

I believe that the least the Congress can do to assist these farmers is to provide for the modest increase in the domestic quota provided by H. R. 7030 as amended by the Finance Committee. This provides that 55 percent of the amount by which the Secretary of Agriculture's annual estimated needs exceeds 8,350,000 short tons, raw value shall be added to the basic quota now provided in the Sugar Act of 1948, as follows:

1. Of the first such 165,000 tons, 51.5 percent is to be added to the basic sugar quota of 1,800,000 tons of the beet area, and 48.5 percent to the basic quota of 500,000 tons of the cane area.
2. The next 20,000 tons is to be added to Puerto Rico's basic quota of 1,080,000 tons.
3. The next 3,000 tons to the Virgin Islands basic quota of 12,000 tons.
4. If any remains of the 55 percent of the amount by which the Secretary's estimated needs exceeds 8,350,000 tons, it is to be apportioned on the basis of the basic quotas of the domestic suppliers.

Mr. WATKINS. Mr. President, I wish to say in conclusion that I am in full support of the measure which has finally been hammered out in committee negotiations and in the various other activities of the Senate, to the point where it is now ready for passage. The people of my State engaged in agriculture—in fact,

all the people of the State, because they all benefit from agriculture—will be pleased by favorable action by the Senate this afternoon.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. LANGER. I am quite sure the distinguished Senator from Utah would also wish to say a few words in commendation of the senior Senator from Colorado [Mr. MILLIKIN], who cannot be with us. During the many years he has been in the Senate he has worked untiringly for the sugar interests of the United States.

Mr. WATKINS. I appreciate the statement by the Senator from North Dakota with respect to the senior Senator from Colorado. We have all noted over the years his untiring labors in behalf of the industries of the United States, and particularly those of the intermountain States of Colorado, Utah, Wyoming, Idaho, and other States which have the same type of agriculture and other industries. It is one of our regrets that the senior Senator from Colorado, who is so greatly admired and beloved by us all, is unable to be present on this occasion. I am glad to note, from reports which I have recently received, that he is gradually gaining in strength, and we hope and pray that he will soon be with us.

Mr. BENNETT. Mr. President, will my colleague yield to me?

Mr. WATKINS. I yield.

Mr. BENNETT. I appreciate the statement by the Senator from North Dakota [Mr. LANGER] bringing in the name of the distinguished senior Senator from Colorado. I was very much honored by having the privilege of reading his statement on the bill as I began my participation in the debate. He honored me by giving me the privilege of reading his statement. I am happy that the bill is about to pass under those circumstances.

Mr. ELLENDER. Mr. President, will the Senator from Kentucky yield 1 minute to me?

Mr. CLEMENTS. I yield 1 minute to the senior Senator from Louisiana.

Mr. ELLENDER. Mr. President, I wish to join my colleagues across the aisle in paying tribute to my good friend, the junior Senator from Utah [Mr. BENNETT].

I remember when the bill was first introduced. We were having a great deal of difficulty with the White House and the State Department, in having a bill enacted last year. It was through the efforts of the junior Senator from Utah that we were able to get the various departments of Government—the State Department, the Department of the Interior, the Department of Agriculture—together, so that the bill could be enacted so early this year.

Mr. HUMPHREY. Mr. President, will the Senator from Kentucky yield to me?

Mr. CLEMENTS. Will the Senator suggest the amount of time he desires?

Mr. HUMPHREY. Less than 5 minutes.

Mr. CLEMENTS. I yield to the Senator from Minnesota 6 minutes.

Mr. HUMPHREY. Mr. President, last August the House sent H. R. 7030 to the Senate only 2 days before adjournment. This is the bill that would restore the right of all domestic sugar-producing areas to share in the future growth of the United States sugar market.

Our domestic sugar products desperately need our help—and they must have it now before they plant their 1956 crop. If Senators think we dare procrastinate another hour, hark to the mandate of thousands of distressed sugar beet farmers among my constituents in the great State of Minnesota.

In these times of booming prosperity we are all perturbed to find our farmers plagued by surplus production, declining prices, and rising costs. Explain then, if you can, why our fixed marketing allotments are so low that farmers in the fertile Red River Valley of Minnesota and North Dakota must accept a cut in sugar beet acreage. Sugar is not a surplus commodity in the United States, and they know it.

Yet the fixed quotas of the 1948 Sugar Act forced them in 1955 to reduce by 15 percent their sugar beet acreage. Orders for 1956 call for holding the 1955 level. To what possible use can they commit this newly idle land? Certainly not potatoes. They are so abundant in the Red River Valley that one cannot give them away. Certainly not corn or small grain, already subject to controls because of a real surplus.

And while my Red River Valley farmers are pondering this dilemma, they read in the *Fargo, N. Dak., Morning Forum* (September 11, 1955) that housewives and commercial sugar users in the area were being forced to use cane sugar "despite the fact that there is more than enough beet sugar in the Red River Valley to supply their needs."

Let me quote further from the *Fargo Morning Forum*:

At least one industrial user in Fargo has already received cane sugar. A company representative said that cane cost 20 cents more per 100-pound bag and that it takes from 2 to 3 weeks longer to be delivered after ordering, making it necessary to order much further in advance than in the past. He opined that it was "kind of stupid" to buy the cane when "they have all the sugar we need right over in Moorhead."

Let me assure Senators that my beet farmer friends find this predicament "kind of stupid" too. And so do the families of some 300 men at 1 Minnesota processing factory which ran out of beets after a 50-day campaign. A neighboring Iowa factory had an even shorter run.

In Michigan, too, sugar-beet growers this year will be forced to accept an average 4 to 5 percent reduction in acreage. This is their penalty for exceptional yields per acre in 1955. Yet it is the only possible course under a ceiling of fixed quotas.

If I may be permitted to step across into North Dakota's new irrigation project, what is in store for farmers wanting to grow sugar beets in the 22-county Garrison Conservancy District? Even now they have entered their petition for

a sugar-beet program on 2 million acres of North Dakota land scheduled for irrigation.

I speak not for my State alone. The same need prevails throughout the North Central region, in fact in each of the 22 sugar-beet States from Ohio and Michigan westward to the Pacific. It prevails, too, in Louisiana and Florida, where our growers of sugarcane are confronted with acreage curbs on land suitable for no other crop. Parallel hardships extend to our offshore domestic producers in Puerto Rico and the Virgin Islands.

It is high time to correct the inequities and injustices of this act, which is disrupting the lives and well-being of thousands of American families in half the States of our Union where sugar is produced.

It should be pointed out that the Sugar Act of 1948 was expressly designed as a short-term measure to meet post-World War II problems in the production and distribution of sugar. Domestic sugar-producing areas were at that time given fixed quotas for a temporary period of 5 years. This period was then adjudged of sufficient duration to enable necessary postwar adjustments to be made in the foreign areas supplying the United States sugar market. Then in 1951 that act was extended to December 31, 1956. Domestic quotas remained fixed, although Puerto Rico and the Virgin Islands were granted modest increases.

It is most important to our deliberations at this time to know that in 1948, and again in 1951, the Congress expressly stated that the fixed-quota system was "not to be regarded as the establishment of longtime national sugar policy." Congress clearly and implicitly reserved the right to change the act whenever the need arose.

The domestic sugar industry now finds that need acute. Tremendous technological improvements, more efficient and greatly mechanized cultural methods, plus application of research findings, have enabled sugar producers to grow more sugar per acre than ever before. Since 1948 sugar-beet farmers have increased their average tonnage per acre by 20 percent, and growers of sugarcane in Louisiana and Florida have increased their yield by more than 16 percent.

The result is that this kind of dynamic progress is producing more sugar than the present law will let enter the domestic industry market.

Under the Sugar Act, of course, our domestic producers are always subject to acreage restrictions. Accordingly, these restrictive measures have been severely imposed during the past 3 years in an effort to keep sugar production within the rigid limits fixed by present law. In 1955 western sugar-beet farmers were obliged to reduce their acreage from 10 to 15 percent, and southern sugarcane producers were required to accept an 18 percent acreage cut during a 2-year span. Puerto Rican sugar production has been restricted for 3 successive years.

And yet a combination of favorable weather conditions and continuing prog-

ress within the industry has more than offset these acreage reductions. Inventories of sugar continue to pile up—sugar that cannot be sold because of fixed marketing quotas.

These excess inventories are costly to carry, and they reduce the net returns of farmers, because in the sugar business the final income of the farmer depends upon the costs of marketing as well as the sales price of sugar. I submit that it is contrary to the national interest to heap still further acreage reductions and hardships on our sugar farmers. We dare no longer sanction a law which penalizes progress.

Yet, for all the urgency to relieve the critical situation in which it finds itself, our domestic sugar industry wishes to be most generous and considerate of our foreign sugar suppliers. In the following corrective legislative program endorsed by domestic sugar producers, foreign nations will find their present sugar quotas undisturbed.

Put simply, the most important of the amendments to H. R. 7030 as now proposed by the Senate Finance Committee would restore in 1956 the historic division of the future growth in the United States sugar market on approximately the same basis that existed before 1948. This means that the future growth of this Nation's sugar market will be divided on the basis of 55 percent for domestic producing areas and 45 percent for foreign nations. This division will be effective on all sugar consumed in the United States in excess of 8,350,000 short tons, approximately the level reached at the close of 1955.

By agreeing to these terms, the domestic sugar producers are willing to concede the foreign supplier's right to all the 1,150,000-ton increase in the United States sugar market between 1948 and 1955. Thus foreign producers are assured they will be able to sell in 1956 as much sugar as they did in 1955, plus their 45-percent share of the still expanding United States market.

Another amendment provides that beginning in 1956 the foreign countries, exclusive of the Republic of the Philippines, producing sugar for United States consumption will share among themselves 45 percent of the growth of the United States sugar market in excess of 8,350,000 short tons. These foreign countries will share this 45 percent of the growth in 1956 as provided by existing law.

This means that in 1956 Cuba will continue to enjoy 96 percent of the foreign share of the United States increased market. All other countries will share in the remaining 4 percent. This is the same ratio Cuba has enjoyed since 1948, the difference being that it will now apply only to the foreign nations' 45-percent share instead of the entire increase of the United States market.

However, beginning in 1957 Cuba's share of the foreign countries' participation in our annual sugar-market growth will be reduced to 75 percent. Other foreign countries will divide the remaining 25 percent, according to quotas which the administration will recommend at that time. This realignment among our for-

foreign suppliers has been suggested by experts well versed in international sugar policies and trends of supply and demand.

Other features of this proposed new Sugar Act would include:

First. Beginning in 1956 the quantities of direct consumption sugar which may be brought in annually from Hawaii and Puerto Rico will, as provided in the bill passed by the House, be increased to the same proportion as their respective quotas are increased by the growth formula.

Second. Deficits in any domestic sugar producing area in any year resulting from operation of the growth formula will first be offered to the other domestic sugar producing areas.

Mr. President, I submit we should enact the revised Sugar Act of 1956 into law immediately for these reasons:

First. It best serves the interests and welfare of sugar producers both domestic and foreign. Proponents and dissenters to any and all provisions considered for this legislation in House or Senate during the 84th Congress have been heard, and their statements have been carefully evaluated in drafting this final bill.

Second. It restores to our sugar-quota legislation the fundamental and historic principle that the growth in the American sugar market should be shared by the American sugar industry as well as by foreign sugar interests.

Third. It provides for moderate relief in 1956 for the most oppressed of our domestic sugar producing areas; and at the same time it assures our foreign producers that they, too, will enjoy small quota increases during this calendar year.

Fourth. It provides a solid foundation for a continuously growing trade with our foreign friends of Latin America in the years ahead.

Fifth. It protects the American housewife and industrial consumer of sugar by assuring a stability of price and adequate supplies.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a resolution which I received from the Marshall County Sugar Beet Growers Association of Warren, Minn.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 1—AMENDMENT OF SUGAR ACT OF 1948

Whereas the Sugar Act of 1948, as amended, will expire on December 31, 1956, and consequently its protective provisions will apply only to sugar refined from beets grown in 1955 and sold in 1956; and whereas, reenactment of present law, with retention of protective quota provisions for sugar beets produced in domestic areas, is therefore essential early in second session of 84th Congress; and whereas, under the present act the sugar-beet crop has been subjected to acreage restrictions in 1954, 1955, and proposed for 1956 amounting to from 12 percent under previous plantings; and

Whereas the sugar-beet crop is a major and important crop and the need is imperative that full acreage be restored and reasonable future expansion be provided for new areas; and

Whereas the sugar-beet crop is of increasing importance due to the curtailment of other crops and because they furnish a reliable cash crop badly needed on new areas to meet high operating costs as well as old areas to carry the mounting expenses of farming; and

Whereas both domestic sugar beet and cane growing farmers in equity should have the right denied to them under present law, to participate in the expanding market for sugar in this country; and

Whereas there is now pending before Congress legislation to reenact and amend the expiring act: Now, therefore, be it

Resolved, That the Marshall County Sugar Beet Growers Association hereby directs its officers to actively support new legislation which will:

1. Provide sugar quotas to continental beet areas which will restore opportunity for full production among growers with a historical beet-growing base;

2. Provide immediate opportunity on both new as well as established areas for farmers who desire to add the beet-growing enterprise to their farming program to the extent that processing facilities are available;

3. Provide further that in sugar quota allocations such division of the steadily increasing American market be made as will create a basis for additional sugar processing facilities in areas adapted to beets, such as this, in which farmers do evidence a firm and continuing desire to grow beets;

4. Provide that deficits occurring in the quantities allotted to domestic areas be re-allocated to other domestic areas; and be it further

Resolved, That this association actively support a provision in new legislation limiting the term of the Sugar Act now under consideration for a period of 4 years in order that in 1960 Congress may again reappraise the need for quotas in all domestic areas and their ability to consistently supply the amounts prescribed.

RESOLUTION 2—TO COYA KNUTSON

Be it resolved, That the Marshall County Sugar Beet Growers Association thank Mrs. COYA KNUTSON for her efforts put forth in getting the sugar legislation through the House of Representatives.

RESOLUTION 3—TO STATE AND AGRICULTURE DEPARTMENT

Be it resolved, That the sugar consumed above the consumptive estimate of 8,200,000 tons, be taken from the stocks of domestically produced sugar instead of being allocated to foreign producers.

Mr. CLEMENTS. Mr. President, I yield 3 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I wish to say that I oppose the bill. The Senate is considering a bill which involves a levy of about \$300 million a year on the consumers of America. The increase in the domestic price of sugar over the world price because of this bill is 2 cents a pound on 8,500,000 tons. Nevertheless, the bill has attracted extremely little attention, and virtually no opposition. That is indeed strange, when I think of the great opposition which develops to some legislation affecting the consumer. It puzzles me how our legislative process functions. Are not the housewives captives of the sugar producers? I desire to congratulate the sponsors of this legislation for their astuteness in being able to pass legislation of this kind with so little opposition. Even though hundreds of millions of dol-

lars will be levied upon the consumers of sugar in this country and paid to a favored few, no one—or at least very few—objects. It is a rare accomplishment. I am opposed to the bill.

Mr. CLEMENTS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Kentucky has 50 minutes remaining. The Senator from California [Mr. KNOWLAND] has 55 minutes remaining.

Mr. CLEMENTS. Mr. President, I am ready, willing, and anxious to yield back the remainder of my time.

Mr. KNOWLAND. I am prepared to do likewise.

The PRESIDING OFFICER. All times has been yielded back. The question is, Shall the bill pass?

The bill (H. R. 7030) was passed.

Mr. CLEMENTS. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Kentucky to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion of the Senator from Kentucky.

The motion to lay on the table the motion to reconsider was agreed to.

Mr. BYRD. Mr. President, I send an order to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Secretary will read the order.

The legislative clerk read the order, as follows:

Ordered, That in the engrossment of the amendment of the Senate to the bill (H. R. 7030) the Secretary of the Senate is authorized to make all necessary technical and clerical changes, including changes in section, subsection, paragraph, etc., numbers and letters and cross-references thereto.

The PRESIDING OFFICER. Without objection, the order is entered.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MARTIN of Pennsylvania, and Mr. BENNETT conferees on the part of the Senate.

BUDGET OF THE JUVENILE DELINQUENCY SUBCOMMITTEE

Mr. WILEY. Mr. President, I am delighted to speak in favor of the \$110,000 budget which is requested for the operation of the Juvenile Delinquency Subcommittee of the Senate Committee on the Judiciary during the next year.

This subcommittee has been one of the most productive subcommittees of the Senate. It has explored urgent problems facing the American people. Its nearly finished reports on juvenile delinquency and religion, pornography, black marketing of babies, and education, will be basic contributions to our understandings of these subjects.

The subcommittee, very wisely, because its major work is now behind it, has reduced its budget from a budget of \$154,000, as it was last year to \$110,000 for this year.

The magnificent work of the subcommittee has been accomplished on a modest budget. The opportunity to finish its important work—that of maturing badly needed legislation in this field—must be preserved.

I strongly urge that the budget be approved, and I desire to express my appreciation to the hard-working members of the Juvenile Delinquency Subcommittee, and to its able chairman, the Senator from Tennessee [Mr. KEFAUVER].

AMENDMENT OF AGRICULTURAL ACT OF 1949 AND AGRICULTURAL ACT OF 1954

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Order No. 1488, H. R. 8320.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 8320) to amend the Agricultural Act of 1949 and the Agricultural Act of 1954, with respect to the special school milk program and the brucellosis-eradication program for the fiscal year ending June 30, 1956.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, line 8, after the numerals "\$60,000,000," to insert "and for each of the two fiscal years in the period beginning July 1, 1956, and ending June 30, 1958, not to exceed \$75,000,000"; on page 2, line 2, after the word "in", to insert "(1)"; in line 3, after the word "under", to insert a semicolon and "and (2) such nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions as are devoted to the care and training of underprivileged children on a public welfare or charitable basis"; in line 13, after the numerals "1956", to insert "and \$20,000,000 for each of the fiscal years 1957 and 1958"; and on page 3, after line 5, to insert:

SEC. 3. The first sentence of subsection (a) and the first sentence of subsection (b) of section 202 of the Agricultural Act of 1949, as amended, are amended by striking out "1956" and inserting in lieu thereof "1958."

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk

program, the veterans and Armed Forces milk programs, and the brucellosis eradication program."

CONVEYANCE OF CERTAIN LAND IN LEE COUNTY, FLA.

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1458, H. R. 7156.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7156) to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Florida.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. HOLLAND. Mr. President, the bill authorizes the conveyance of 7.2 acres of land in Punta Rassa, Florida, now belonging to the United States to the Board of County Commissioners of Lee County, Florida, without consideration.

The land was acquired by the United States from Lee County for the purpose of building a Coast Guard station on it. Previously, the county commissioners of Lee County had paid \$3,167 for the land at the time of its acquisition by the county.

The land was never used by the United States for a Coast Guard station, although no final decision in that regard was made until last year, when the Coast Guard decided finally that it did not wish to build such a station on the land.

My colleague in the other House, Representative PAUL G. ROGERS, who represents the district in which the land is located, introduced the measure in the House of Representatives. The bill was passed by the House.

I believe this is a meritorious measure. I gladly consented to a postponement of its consideration the other day when it was called on the calendar, because of the necessary absence of the Senator from Oregon.

Mr. MORSE. Mr. President, I wish to make a brief statement on the bill, so that there will be no misunderstanding as to whether or not the bill violates the so-called Morse formula.

This bill would authorize the General Services Administrator to convey to the Board of County Commissioners of Lee County, Fla., without consideration, a tract of land consisting of 7.2 acres of unimproved surplus land located at Punta Rassa, Lee County, Fla.

The land in question was conveyed to the Federal Government for a nominal consideration of \$10 for the specific purpose of constructing and operating a Coast Guard lifeboat station.

The property has been reported excess in October 1954 and was determined to be surplus in January 1955 by the General Services Administration.

This bill would appear equitable in permitting the transfer without considera-

tion because the specific purpose never was fulfilled.

We are concerned with a situation involving some land which was conveyed to the Federal Government for a very small sum of money. In this instance there was a definite understanding that the use of the land would be limited to the Federal Government's carrying out a specific purpose, that specific purpose being the building of a Coast Guard lifeboat station on the land. The Federal Government has given up that plan. It is only fair and proper, therefore, that the land should be returned to the original grantor. The bill in no way violates the Morse formula, and I have no objection to it.

I thank the Senator from Florida for his courteous consideration in withholding action on the bill when I had to fly to Oregon to attend the funeral of the Governor of my State. He postponed consideration of it so that I could make my statement on the floor of the Senate today. I appreciate his courtesy very much.

Mr. HOLLAND. I thank the distinguished Senator from Oregon; and to his statement may I add the further fact that the county commissioners, out of county funds, paid at the time of the original conveyance something over \$1,300 in addition to the \$10 referred to.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LAND IN NEDECAH, WIS., TO THE VILLAGE OF NEDECAH

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1210, House bill 2889, to provide for the conveyance of certain land in Nedecah, Wis., to the village of Nedecah.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 2889) to provide for the conveyance of certain land in Nedecah, Wis., to the village of Nedecah.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. There was an amendment to the bill which has been previously agreed to.

Mr. MORSE. Mr. President, the bill would authorize the General Services Administration to convey to the village of Nedecah, Wis., a tract of about four-fifths acre of unimproved land for \$1.

The report states that the land has a market value of about \$500.

A proviso of the bill recites that the land is to be used for public purposes for not less than 20 years, with optional reversion in event of nonpublic use.

The village conveyed the land to the United States in 1938 for \$1. It desires to use the land for park, picnic grounds and recreational area.

March 11, 1956

"The Committee is gratified to note the Department's actions in establishing a sales organization with funds earmarked for that purpose in the regular 1956 bill. It is also pleased to see that a more positive sales program, both domestically and abroad, has been undertaken in accordance with directives contained in last year's report. It is not satisfied, however, with restrictions which still exist on the sale of certain commodities in world trade for dollars, particularly with respect to cotton."

"FOREST SERVICE

"Salaries and expenses.—The budget estimate for the activities under this heading is \$8,213,500. An appropriation of \$7,913,500 is recommended, a reduction of \$300,000. Of the amount provided, \$2,463,500 is for increased costs due to the Pay Act of the first session of this Congress, and \$5,250,000 is to cover costs of fighting forest fires for the first six months of the current year and to provide funds for this purpose for the last half of the fiscal year. The balance of \$200,000 is for timber management and is to be used primarily for salvaging the large volumes of timber fire-killed last fall. A total of \$500,000 was requested for the timber management program in order to increase the timber cut. While the Committee recognizes the desirability of promptly harvesting fire-killed timber, the need for a two-month running start on the large increases provided for timber cutting purposes in the regular bill for 1957 does not appear to be of such urgency as to warrant treatment in a supplemental bill."

In addition, the bill includes \$100,000,000 additional for Federal-aid highways, \$3,000,000 (a reduction of \$1,000,000 in the budget estimate) for payment to contractors for forest highway construction work undertaken pursuant to previous contract authorizations, \$200,000 for the Commission on Government Security, \$50,000 for the Office of Defense Mobilization, \$200,000 for research on utilization of saline water, and various amounts for payment of claims and judgments against the Government. The bill also includes a provision authorizing transfer of \$75,000 from "Census of Agriculture" to salaries and expenses, Bureau of the Census. The bill also contains the general provision customarily included in pay act supplemental bills to waive, to the extent necessary on account of enactment of such pay acts, limitations and other provisions limiting or otherwise affecting or involving the payment of personal services.

Received from the President a proposed supplemental appropriation estimate for the Labor Department's Bureau of Employment Security (H. Doc. 357); to the Appropriations Committee (p. 4264). The Appropriations Committee reported without amendment, and passed as reported, H. J. Res. 582, to provide supplemental appropriations for the Labor Department to be used for unemployment compensation for certain Federal employees (H. Rept. 1880). pp. 4205, 4265

Conferees were appointed on H. R. 9064, the Treasury and Post Office Departments appropriations bill for 1957. p. 4206 Senate conferees were appointed on Mar. 7.

SUGAR. Disagreed with the Senate amendments to, and requested a conference on, H. R. 7030, to amend and extend the provisions of the Sugar Act. p. 4207 Conferees were appointed on the measure. p. 4207 Senate conferees were appointed on Feb. 8.

Reps. Thomson, Wyo., and Miller, Neb., urged expeditious action on H. R. 7030, and criticized the alleged delay in bringing this measure to conference. pp. 4216, A2386

"AGRICULTURAL RESEARCH SERVICE

"Salaries and expenses.--The bill carries \$3,294,000 to cover additional pay costs due to salary increases provided last year, together with an additional \$500,000 for emergency control of outbreaks of insects and plant diseases. The latter increase results from serious infestations of the khapra beetle, the Mexican fruit fly, the burrowing nematode, and anticipated grasshopper outbreaks in the spring of 1956.

"AGRICULTURAL CONSERVATION PROGRAM

"Language is included in the bill for extending availability of previously authorized emergency funds through December 31, 1956. Severe damage to farm lands from recent hurricanes and floods in the East and on the west coast, and possible damage in the Great Plains area this spring and summer from wind erosion, make it necessary that these funds be continued available beyond the past calendar year.

"The Committee notes that additional funds were added recently by floor action of the House to the President's Disaster Relief Fund for repair of flood devastation, including damage to farm lands, in North Carolina. From the debate on the House floor, it might appear that there is some duplication in the use of those funds and the use of a portion of the funds included under this heading. However, the Committee has taken no action to withhold any portion of the funds involved herein, since the Department of Agriculture has the primary responsibility and necessary organization for assisting in the restoration of damaged agricultural lands.

"FARMERS' HOME ADMINISTRATION

"Loan authorizations.--The Committee recommends the full budget estimate of \$5,000,000 for farm housing loans in 1956. The amount recommended will provide funds for about 830 loans at an average of around \$6,000 each.

"In recent years, the Department has attempted to meet farm housing needs through farm ownership loans authorized by Title I of the Bankhead-Jones Farm Tenant Act. However, there are many farm owners who cannot qualify for farm ownership loans, whose buildings are in need of repair and improvement and who are unable to secure credit from other sources.

"It should be noted that these funds will be available only for the balance of the present fiscal year.

"Salaries and expenses.--The sum of 1,350,000 is included to meet pay increases provided during the last session of Congress.

"COMMODITY CREDIT CORPORATION

"Administrative expenses.--The bill includes language increasing the administrative expense limitation for this organization by \$4,500,000. This additional amount is provided to cover increased pay costs enacted last year, and to provide additional personnel to handle an increase in the volume of price support activities resulting from heavy production of certain crops in 1955. Since the regular 1956 budget was considered well in advance of the time 1955 crop year estimates were available, the workload of CCC could not be accurately predicted at the time the regular administrative funds for the fiscal year 1956 were authorized.

which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1188) to amend section 5240 of the Revised Statutes, as amended, relating to the examination of national banks. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING SECTION 5146 OF THE REVISED STATUTES

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 430, Rept. No. 1883), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1736) to amend section 5146 of the Revised Statutes, as amended, relating to the qualifications of directors of national banking associations. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING SECTION 14 (b) OF THE FEDERAL RESERVE ACT

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 431, Rept. No. 1884), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9285) to amend section 14 (b) of the Federal Reserve Act, so as to extend for 2 additional years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with

such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING ACT OF JULY 1, 1947, TO GRANT MILITARY LEAVE OF ABSENCE WITH PAY TO CLASSIFIED SUBSTITUTE CLERKS, POST OFFICE DEPARTMENT

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 432, Rept. No. 1885), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3744) to amend an act of July 1, 1947, to grant military leave of absence with pay to classified substitute clerks in the field service of the Post Office Department. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that it may be in order to consider today the rule just filed for the consideration of H. R. 3744.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF SUGAR ACT

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, is this the same bill about which I called the gentleman about yesterday and which the House passed last July?

Mr. COOLEY. It is.

Mr. MILLER of Nebraska. And which the Senate passed on February 8. The Senate appointed conferees on February 8. Now as a result, I hope, of my telephone call of yesterday, the gentleman now is condescending to conferees being appointed so that we can consider this important legislation?

Mr. COOLEY. May I say to my friend that I am very grateful to him for his keen interest in this legislation and by

way of explaining to the House the delay in appointing the conferees, I should like to say the fact is that the Senate and every member thereof has been constantly busy every day considering the farm bill which is now being debated in the Senate. While I am addressing myself to the gentleman's remarks and to the House may I observe, too, that we have another conference committee which was appointed some time ago dealing with another problem in which many Members of the House are intensely interested. That is, providing additional money for milk for the school-lunch program and for the brucellosis program, which bill was passed some time ago, and on which we expect to have a conference this afternoon.

Mr. MILLER of Nebraska. I am delighted to know that because when the legislation passed the House on July 30 last year the gentleman said:

It is of far-reaching importance because it affects people in far distant places and it vitally affects every one of your constituents.

The people in my district have about reached the beet-planting time, and they are wondering whether they are going to get any legislation. I hope the gentleman will sort of yield a little bit to the other body and accept their amendments which are a little bit more liberal, and gives the domestic beetgrowers 55 percent instead of 50 percent, as did the House version.

Mr. COOLEY. The reason I mentioned the dairy situation was to indicate to the House that although we have been trying diligently to arrange a conference with the members of the Senate committee, we have not been able to do so. But, we will meet at 3 o'clock this afternoon.

Mr. MILLER of Nebraska. I know they have been busy, but I have been in conference on another bill with Members of the other body, and they have been very diligent on naming conferees and holding meetings. I think really it is important, Mr. Speaker. Since February 8 a lot of water has run under the bridge.

Mr. COOLEY. Well, the gentleman is certainly aware of the fact that the House committee reported the sugar bill in the last session of the Congress and the House of Representatives passed the bill in the last session of the Congress. So, certainly we have been diligent.

Mr. MILLER of Nebraska. But the other body passed on it February 8 and appointed conferees, and not until this morning did the gentleman take the notion to have conferees appointed.

Mr. COOLEY. Probably the gentleman from Nebraska used great persuasion with the chairman of the Committee on Agriculture.

Mr. MILLER of Nebraska. And when the agriculture bill comes over from the other body, I hope the gentleman will permit me to remind him that we are anxious to get a conference on this side of the aisle and sort of get going on the bill. Let us have less foot dragging on these bills affecting agriculture.

(Mr. MILLER of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. COON. Mr. Speaker, I would like to say a few words more to urge speed in completing action on the Sugar Act, H. R. 7030. It is important to the people in my district to have this legislation passed quickly. The Senate appointed conferees more than a month ago. The House has not named any yet. The House has already delayed action too long on this matter. I have had letters from the people in my district who plant sugar beets, wanting to know when the bill will be passed. We have a fine large sugar refinery plant in Nyssa, Oreg., one of the most modern ones in the country.

Sugar beets is one of the most important crops to the farmers of Malheur County in which it is located. In fairness to them, and to sugar beet growers in other counties in my district, we should settle this important matter at once, so that they can know what to plan on in the matter of increased plantings. April is planting time for them, so if this matter drags along much longer, it will be too late to do them any good this year. They can certainly use the extra income from the additional plantings to which they would be entitled under this bill. When we have important legislation like this before the House, we do not want to see anyone delaying; we want action and we want it quickly.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, further reserving the right to object, I am very glad to note that conferees will now be appointed on the sugar bill, but I do want to mention the so-called dairy or milk bill which our committee reported as an emergency measure and which went to the Senate and was amended and came back to the House, and now a conference will be held this afternoon at 3 o'clock on that bill. But, I would like the gentleman's opinion on the aspects of the Senate amendments. The gentleman will recollect that the bill which passed the House contained two provisions: one was to continue the surplus milk program for school lunches and the brucellosis program up to June 30. The Senate amended the bill, including the other provisions which are now contained in the bill for a period of 2 years. That took in the school milk program for school lunches, the continuation of the brucellosis program, providing the armed services with Government dairy surplus products and also veterans' hospitals, and also certain other provisions. Now, as the gentleman knows, when that bill came back from the Senate, I suggested to him that we in the House should concur in the Senate amendments, and that is still my opinion. But, the bill went to conference. Now, I would like to ask the gentleman whether or not the majority conferees, since he is chairman of the Committee on Agriculture, would be willing to continue or agree in the conference that we should accept the Senate amendments on the provisions of law heretofore enacted.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I certainly appreciate the gentleman's remarks, but I do want to

observe that there is at least one amendment in the Senate version of this bill about which there is some controversy. I understand that the Department of Agriculture feels it would be almost impossible to administer the program for the purposes set forth in the Senate amendments. But, it is an important matter, and I am sure the gentleman realizes that it is necessary for the conferees to try to reach an agreement upon a bill which can be properly administered by the Department of Agriculture. I have particular reference to the section that provides for milk to be made available in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions. You can see the difficulties that the administrators would have in administering a bill that is as broad and comprehensive as this.

Mr. AUGUST H. ANDRESEN. I agree with the gentleman on those provisions.

Mr. COOLEY. The provisions that were in the bill when it left the House, of course, would be acceptable to the House conferees, I am sure. I have been advised that the Senate will recede on these amendments to which I have just referred, so we should have an agreement soon.

Mr. AUGUST H. ANDRESEN. I am glad to have that assurance from the chairman of our committee, who will be chairman of the conference committee, so that we may pass the word out here today that we will soon reach an agreement—I hope this afternoon—so that this bill can be enacted into law next week, and get it on the way to the White House.

Mr. COOLEY. We shall certainly consider the matter just as expeditiously as circumstances will permit and I hope we can reach an agreement very early.

Mr. AUGUST H. ANDRESEN. Does the gentleman see any obstacles in the way, outside of the one he has mentioned?

Mr. COOLEY. Personally I do not see any, but I have no reason to try to bind my colleagues who will be with us at 3 o'clock this afternoon.

Mr. AUGUST H. ANDRESEN. I shall be there at 3 and hope to do my part in the conference. There are many here in the House who are interested in this program. It is nationwide. The school-children of the country are getting the benefit of it and we want it expanded to all American schoolchildren.

Mr. COOLEY. Mr. Speaker, would the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman.

Mr. COOLEY. When the gentleman refers to these two worthwhile provisions, the gentleman is talking about provisions that originated in the House Committee on Agriculture; that is the brucellosis program and fluid milk for the school-lunch program.

Mr. AUGUST H. ANDRESEN. The gentleman will remember, too, that the gentleman who is now addressing him offered those amendments.

Mr. COOLEY. Mr. Speaker, I was just getting ready to compliment the gentleman for having such foresight and vision.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, in order that we may understand the situation, I should like to address a question to the chairman of the managers on the part of the House on H. R. 8320. Do I understand that it is the gentleman's position that he now has no objection to retaining the Senate amendments in the bill relating to the 2-year extension of the milk program and of the brucellosis-eradication program?

Mr. COOLEY. No; the gentleman misunderstood me if he understood me to say that. We reported the bill, and it passed the House as an emergency measure. I understand the Senate, after reflection, will probably agree to recede and accept the House bill as it was presented to the Senate. It was an emergency measure.

Mr. BYRNES of Wisconsin. May I ask the gentleman if there is any reason to believe that there is any controversy over the question whether these two programs, the milk program for our school-children, and the brucellosis-eradication program, should be extended for 2 years beyond 1956, June 30, when it expires? Is there any disagreement within the committee on that?

Mr. COOLEY. I do not know about any disagreement within the committee on it, but the gentleman knows that this bill we are talking about was an emergency bill. I assume that the gentleman and all others interested are anxious to secure the passage of this bill.

Mr. BYRNES of Wisconsin. I might say to the chairman of the conference committee that we are also anxious to have the extension of these two programs for 2 years which are important to our children and to the health of this country. We do not want this matter tied up in a bill whose future is most uncertain. We have got this issue before us. We have got it before the House in H. R. 8320. Why can we not accept the amendments that give the 2-year extensions for these two vital programs—that is what I want to ask the chairman—and not get involved in other legislation?

I could continue further, Mr. Speaker. I think an erroneous impression has been given to the Senate. I hope every Member of this House will read the Senate debate of yesterday afternoon on this matter. There the impression was given that the House of Representatives refuses to provide for the extension of these two programs at this time and will, in fact, even permit the emergency aspect of the program for this fiscal year to expire rather than grant the extension.

I would refer the gentleman to various remarks that were made, in fact, remarks made by the chairman of the Senate Committee on Agriculture, where he says he had gained the impression from talking to somebody in this House that unless the Senate agrees to let the long-range program, namely, the extension, be settled in the future as part of the consideration of the general farm bill, "We shall not, in my humble judgment, be able to get the House to pro-

vide funds for the remainder of this fiscal year."

I do not think that represents the views of the Members of this House. I think that if the question were put to this House as to whether they would want to vote for a 2-year extension of these programs they would practically unanimously vote for the extension. I know of very few Members who would say they want to kill these two very vital and important programs on June 30 of this year.

Mr. COOLEY. I assume the gentleman is anxious for money to be provided so that the needs may be met from now on to the end of the current fiscal year. This bill provides that. If the Senate will recede, we can reach an agreement very quickly. The long-range idea is in another bill.

Mr. BYRNES of Wisconsin. I am equally concerned that we pass legislation this year extending the brucellosis eradication program and the school milk program. We can do that very simply if the managers on the part of the House will yield to the Senate on this provision. That was put in the House bill on the Senate side.

Mr. COOLEY. Does the gentleman want to leave the impression in the House that he is more vitally interested in these two provisions than the members of the committee, which unanimously reported it, and the House, which I believe unanimously passed it?

Mr. BYRNES of Wisconsin. Then why not accept them?

Mr. COOLEY. These Members from Minnesota and others initiated this program. Certainly the gentleman from Wisconsin could not be any more vitally interested in the success of the program than these gentlemen or the other members of our committee. If you want to delay the passage of this bill, this is a good way to do it, but if you want it to go to conference at 3 o'clock there is a great probability we may reach an agreement before twilight today.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, no one claims to have a monopoly of the interest in the provisions of these two bills, but I think the gentleman from Wisconsin understands it is an emergency measure. The action that took place in the other body, in my opinion, possibly reflected the position that the Members of the House of Representatives are not for the 2-year extension. As far as I am concerned, I am for the 2-year extension. It can all be handled before April 1, when this matter will be running out, if the conferees agree to take a 2-year extension.

As far as I am concerned, since 20 days have elapsed, it would be possible under the rules to offer a motion to instruct the conferees to take the Senate bill. On the other hand, if the extension is taken out, which would give some substance at least to the proposition that we are not interested in the 2-year extension, or are not in favor of it, then certainly that conference report could be voted down and a motion made to in-

struct the conferees to take the 2-year extension. That would get the matter to the White House very quickly.

Mr. COOLEY. I suppose the gentleman has stated the parliamentary situation accurately. The thing we are trying to do now is to go to conference as soon as possible. We have a conference set for 3 o'clock this afternoon.

Mr. HALLECK. I am very happy the conference has been set for 3 o'clock. I hope the conferees will take the 2-year extension because, as far as I am concerned, before the matter is finally concluded, I would like to go on record as being for the 2-year extension.

Mr. BYRNES of Wisconsin. I would like to address a question to the gentleman from North Carolina. Of course I do not feel I have any monopoly of interest as far as this matter is concerned. Most Members are interested in these programs and want the programs extended. They are interested in the emergency matter. That is to provide funds to carry the program beyond the first of next month. There is no doubt about it. But, they are also interested in the 2-year extension of this program. I am asking the gentleman why there should be any reluctance to giving that 2-year extension by agreeing to the Senate amendments at this time. Certainly, the other body is not going to oppose the House if the House says that we will recede and concur in those Senate amendments.

Mr. COOLEY. I do not think the gentleman should attempt to put words in my mouth or give an erroneous interpretation of my remarks. I am in favor of this program and have voted for it every time it has been before our committee and every time it has been before the House. Why should the gentleman put me in the position of trying to speak for the House conferees who, while they have been appointed, have not even had their first meeting?

Mr. BYRNES of Wisconsin. Would the House conferees feel better about this if they received instructions from the House generally, because certainly under the rules we have the privilege of making a motion to instruct the conferees with respect to these amendments—if that is what the gentleman desires?

Mr. COOLEY. I think the conferees are well aware of the views of the House.

Mr. BYRNES of Wisconsin. That is not the impression that the Members of the other body have. They have given the other body the idea that this House is against the extension for 2 years at this time. I was just reading the Senate debate of yesterday.

Mr. COOLEY. I do not see how anybody could have such a false impression. The House passed the bill approving the program. I do not know that the matter was even debated—everybody accepted it.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. MARTIN. I know that the gentleman is aware of the fact that unless we do get this bill enacted and signed by the President before April 1 that 12

States will not be allowed to continue the school-lunch program.

Mr. COOLEY. That is exactly what I am trying to do if we may go ahead with the pending request. I just made the announcement that we were going to meet this afternoon so the Members of the House will know that we will not delay in the matter unduly. The only reason we have not met heretofore is that although we have tried, we could not arrange a convenient time to meet.

Mr. BYRNES of Wisconsin. Mr. Speaker, just so the gentleman from North Carolina will not misunderstand me, I am not at this time making any complaint about the delay. I made a complaint last Monday of the delay. That is not now the issue—I appreciate the fact that the conferees are going to meet this afternoon. I think that is splendid, but my concern at this particular time is that the conferees recognizing that it is the will of the House that we accept that part of the Senate amendments relating to the 2-year extension of the brucellosis and the school-milk program.

Mr. Speaker, I have in my hand a motion which is a preferential motion which would bring before the House the question and instruct the conferees to accept certain Senate amendments. I refrain somewhat, Mr. Speaker, from making the motion because the membership of the House itself has not had notice that this question would come up. I think if it were to come up, there should be a roll call vote on it. Let me say this to the gentleman: That to the extent that I, as one Member of the House can, if the conference committee comes back without that 2-year extension in the bill I am going to make every effort to have the House turn down the conference report and recede and concur in the Senate amendments.

Mr. COOLEY. Certainly, I would not ask the gentleman to forego any of his great powers and prerogatives to make any motion as he may desire to make.

Mr. MARTIN. Mr. Speaker, reserving the right to object, may I inquire of the chairman if, realizing the urgency of the situation, could he not report back to the House either by Monday or Tuesday? At that time if there is not an agreement, the House could instruct the conferees. We need the legislation at an early date or the school-lunch milk program will be jeopardized in six States.

Mr. COOLEY. We will meet at 3 o'clock this afternoon. I will be delighted to report to the House the progress that is made in composing the differences between the two Houses.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, GATHINGS, ABERNETHY, HOPE, AUGUST H. ANDRESEN, and HILL.

PASSPORT PROCEDURES

(Mr. WALTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include a copy of a bill.)

MR. WALTER. Mr. Speaker, I have introduced today a bill designed to amend the Administrative Procedure Act so as to provide for a special review procedure in cases where a United States citizen has been refused a passport, and to provide for mandatory refusal of passports to persons under Communist discipline.

As one of the coauthors of the Administrative Procedure Act, I very strongly believe in effective and fair procedures designed to provide for a review of administrative decisions. I have always felt that hearings and review procedures are essential for the preservation of our system of government. They are absolutely necessary now, in view of the ever growing power of the bureaucrats.

The bill which I introduced today is partially patterned on a procedure spelled out in section 235 (c) and section 242 (b) of the Immigration and Nationality Act, the latter fully sustained by the Supreme Court of the United States in the case of *Carlos Marcello v. John M. Bonds* (350 U. S. 856 (1955)). The bill is drawn along the lines of the act of June 11, 1946, generally known as the Administrative Procedure Act and it is designed to fit into the structure of that law.

In full compliance with the due process clause of the Constitution and within a framework constructed by the Administrative Procedure Act, every citizen of the United States would have, under my proposal, his day in court. At the same time, however, the Nation's important secrets will not be divulged to the Communist conspiracy, certain recent court decisions notwithstanding.

While we are on the subject of those court decisions, I might add that I have read some of them with dismay. One cannot help but get the impression that some of our judges dwell in ivory towers with windows shut tight and shutters drawn, unable to see the mortal danger facing our freedom—the freedom which the law is designed to protect and not help to destroy.

Acting in perfect timing with external Soviet attack, the Communist conspiracy is out to destroy the internal security system of our country as well as that of every country still remaining on our side. In that endeavor, the Communist conspiracy is particularly anxious to establish the identity of those courageous undercover agents of our investigative organizations who have infiltrated the conspiracy, thus providing our security agencies with identities of at least some of the conspirators. More and more Communists and people under Communist discipline apply for passports knowing full well that the Secretary of State has the right—the duty, rather—to deny their applications. After denial, they take their cases to courts in order to break the doors to the secret files. There they want to find names of those who keep an eye on their activities. The success of this Communist plan has been greatly enhanced by some of the court decisions, holding that when the Secretary of State refuses to issue a passport to a Communist, he must disclose to the applicant the source of information which caused the refusal.

To abide by those court decisions would mean a fast and complete destruction of our entire security organization. The Congress should not permit that to happen. The very existence of the Nation is at stake.

A bill to amend the Administrative Procedure Act and the Communist Control Act of 1954 so as to provide for a passport review procedure and to prohibit the issuance of passports to persons under Communist discipline

Be it enacted, etc., That the Administrative Procedure Act (60 Stat. 237; 5 U. S. C. 1001) is hereby amended by adding a new section entitled "Passport review procedure," to read as follows:

"PASSPORT REVIEW PROCEDURE

"SEC. 13. (a) As used in this section—

"(1) the term 'applicant' means a citizen or national of the United States who has made application for a passport in accordance with section 1 of title IX of the act of June 15, 1917 (40 Stat. 227; 22 U. S. C. 213).

"(2) the term 'special review officer' means any officer of the Department of State whom the Secretary of State deems specifically qualified to conduct proceedings, prescribed by this section and who is selected and designated by the Secretary of State, individually or by regulation, to conduct such proceedings. Such special review officer shall be subject to such supervision and shall perform such duties, not inconsistent with this section, as the Secretary of State shall prescribe.

"(b) Any applicant to whom the Secretary of State has refused to issue a passport, or to renew or extend a passport, may submit to the Secretary of State a timely motion in writing for a review before a special review officer, and any such applicant shall be advised of his right to make such motion.

"(c) It shall be the duty of the Secretary of State to refer any motion for a review made under subsection (b) of this section to a special review officer. In any case in which the Secretary of State believes that such procedure would be of aid in making a determination, he may direct specifically or by regulation that an additional officer of the Department of State shall be assigned to present the evidence on behalf of the Government and in such case such additional officer shall have authority to present evidence, and to interrogate, examine, and cross-examine the applicant or the witnesses. Nothing in the preceding sentence shall be construed to diminish the authority conferred upon the special review officer conducting proceedings under this section.

"(d) A special review officer shall conduct proceedings under this section for the purpose of submitting to the Secretary of State a recommendation to issue, or to renew or extend a passport to the applicant, or a recommendation that such passport not be issued, or renewed or extended. In proceedings conducted under this section the special review officer may administer oaths, present and receive evidence, interrogate, examine, and cross-examine the applicant or witness. The special review officer shall communicate his recommendation to the Secretary of State with the least possible delay and the decision of the Secretary of State shall be final. Such decision shall be notified to the applicant by the Secretary of State in writing.

"(e) No special review officer shall conduct a proceeding in any case under this section in which he shall have participated in investigative functions or in which he shall have participated in the original refusal of the application for the issuance, or the renewal or extension of a passport.

"(f) Proceedings before a special review officer acting under the provisions of this section shall be in accordance with such

regulations, not inconsistent with this section, as the Secretary of State shall prescribe, which regulations shall include requirements that—

"(1) the applicant shall be given notice, reasonable under all the circumstances, of the nature of the charges against him and of the time and place at which the proceedings will be held;

"(2) the applicant shall have the privilege of being advised, assisted or represented (at no expense to the Government) by counsel, authorized to practice in such proceedings;

"(3) the applicant shall have a reasonable opportunity to present all information relevant and material to the formulation of the special review officer's recommendation in his case. The applicant may address a request in writing to the special review officer for such additional information or explanation as may be necessary for the preparation of the hearing before the special review officer. The special review officer shall pass promptly and finally upon such request and advise the applicant of his decision;

"(4) the applicant may testify in his own behalf, present witnesses and offer other evidence. If any witness whom the applicant wishes to call is unable to appear personally, the special review officer may, in his discretion, accept an affidavit by him or order that his testimony be taken by deposition. Such deposition may be taken by any person designated by the special review officer and such designee shall be authorized to administer oaths for the purpose of the depositions;

"(5) a complete verbatim stenographic transcript shall be made of proceedings conducted under this section by qualified reporters, and such transcript shall constitute a permanent part of the record. Upon request the applicant or his counsel shall have the right to inspect the transcript, and each witness shall have the right to inspect the transcript of his own testimony; and

"(6) attendance at hearings under this section shall be restricted to such officers of the Department of State as may be concerned with the case under consideration, the applicant, his counsel, the witnesses, and the official stenographers. Witnesses shall be present at the hearing only while actually giving testimony.

"(g) Proceedings under this section shall be conducted in such manner as to protect from disclosure all information affecting the national security, safety, and public interest or the disclosure of investigative sources or investigative methods.

"(h) The files maintained by the Passport Office of the Department of State and any other pertinent Government files submitted to the special review officer shall be considered as part of the evidence in each case without testimony or a ruling as to admissibility. Such files may not be examined by the applicant.

"(i) It shall be the duty of the special review officer to insure the applicant of complete and fair consideration of his case. In determining whether there is a preponderance of evidence supporting the denial of a passport, or the denial to renew or extend a passport, the special review officer shall consider the entire record, including the transcript of the proceedings and such confidential information as he may have received. The special review officer shall take into consideration the inability of the applicant to challenge information of which he has not been advised in full or in detail, or to attack the credibility of information which has not been disclosed to him. Formal rules of evidence shall not apply in proceedings under this section except that reasonable restrictions shall be imposed by the special review officer as to the relevancy, competency, and materiality of evidence introduced in the proceedings."

With the added precaution, that any recognized public or private agency—United States Consular Service, Red Cross, or various religious organizations, and so forth—so authorized, shall supervise shipment and distribution of such necessities to make certain that they reach the hands of those designated as beneficiaries who happen to reside in unfriendly Communist countries.

Our purpose is to protect the rights of the individuals concerned, without abetting, even indirectly, the Communist conspiracy.

Much as they might protest, or attempt to distort our motives through propaganda, I believe that the Communists would prefer to have food and clothing and necessities of life coming into their countries in the form of bequests, rather than have us cut off such bequests completely.

There are so many people in Poland, and Lithuania, and Czechoslovakia, and other Communist-controlled countries who look to their kinfolk in the United States for help.

The best we can do for them through bequests is to provide them with the necessities of life, actually delivered to them.

The legislation, I recommend, would carry out the will of the legators, while eliminating the diversion of such legacies by Communist Governments for the purpose of weakening the national security of the United States.

THE SEGREGATION ISSUE

(Mr. BURDICK asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

[Mr. BURDICK addressed the House. His remarks appear in the Appendix of today's RECORD.]

POSTAGE STAMP IN HONOR OF THE AMERICAN FARMER

(Mr. HENDERSON asked and was granted permission to address the House for 1 minute.)

Mr. HENDERSON. Mr. Speaker, I have today introduced a bill to authorize the Postmaster General to issue a postage stamp in honor of the American farmer.

Our Nation has frequently used its postage stamps to honor and pay tribute to a multitude of events and persons. Meanwhile, the American farmer has continued in his steady fashion to plant, cultivate, harvest, and market the food America's millions require.

Mr. Speaker, I have known many farmers and have lived and worked with them. With hardiness and rugged determination, generations of farmers cleared the wilderness of this continent and prepared new fields to provide food for their families and their neighbors. From this humble beginning, the importance of the farmer's role has increased steadily throughout our history as he produced in ever-greater abundance the food and fiber necessary to support our expanding industries and the

vast numbers of our growing population concentrated in our urban areas.

Busy as our early farmers were in building their homes on the frontier and establishing the fertility of our fields and, badly as they needed the assistance of each member of their families, they insisted that their children receive an education in schools which they provided through their own labor. From these rude classrooms, the statesmen of our new Nation came. Busy as they were, they set aside 1 day of rest to worship in one of the country churches which symbolized their religious faiths. This deep spiritual conviction has guided our Nation through its darkest days of crisis and peril.

It was the farmer's faith and his belief in freedom which stiffened his determination to assist his neighbors in their stand at Lexington. It was his clear and reflective mind that helped formulate the bold new concepts of our infant Nation which produced our Constitution—that document which made a reality of man's struggle for individual dignity and freedom.

The American farmer has remembered the meaning of that document and earnestly believes in the rights and privileges which it guarantees. In no segment of our population does the fire of freedom burn more fiercely nor are the aspirations of liberty more appreciated than by our farmers. This pioneer, this rail-splitter, this homespun, religious, hardworking man, whose children have gone forth to serve on the battlefields, in the laboratory, and the factory, ever keeping our Nation strong, should receive the recognition which other groups of our population have been accorded through the issuance of a special stamp.

LACK OF RAILWAY FREIGHT CARS

(Mr. ELLSWORTH asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ELLSWORTH. Mr. Speaker, I am sure that the Members of the House do not realize the real and present danger to the economy of our country because of the lack of an adequate number of railway freight cars necessary to move the products of our farms, factories, forests, and mines on the railroads of the United States.

We do know that last year during the summer and fall months a nationwide car shortage was experienced which did severe damage. Since a crisis of that kind had not been experienced for several years, I think it may have been generally assumed that 1955 was an exceptional year and that, all in all, things were not so bad and that it might not happen again.

Mr. Speaker, what happened last year was just a preview of what inevitably must occur again this year and in future years until the present adverse car situation is corrected.

Let me present a few figures: In 1935, the number of freight cars on the class A railroads was 2,000,000. By 1954 that number dropped to 1,735,900. At the

first of this year the total number of cars on the lines is 1,694,000. Meanwhile, our annual gross-product figure has touched the \$4 billion mark, and 8 percent more cars are being loaded now than at this same period last year.

In 1955, 37,509 new and rebuilt cars were installed on the railroads. In that same year 73,491 cars were junked. In other words, the number of available freight cars is being sharply reduced at the same time the need for more cars is sharply increasing.

The car shortage for this year, 1956, has already begun. The net shortage reported by the Car Service Section of the Interstate Commerce Commission for the week of February 25 of this year was 2,174 cars.

Obviously, the solution of this problem lies with the railroads themselves. But as of this moment the railroads have not met and are not meeting their responsibility. The result of their failure can be disastrous. Their policy is tragically one of too little and too late.

Last year the railroads did order 147,320 freight cars and now they are anxiously awaiting delivery of those cars. If the entire 147,320 cars could be delivered within the next 6 months, the situation would be relieved. The fact is, however, that delivery of new cars is averaging only 4,000 a month, while at the same time 8,000 cars per month are being junked.

The picture becomes even blacker when it is realized that the all-time record of car production which occurred during World War II was only a little more than 10,000 cars a month.

There seems to be only one possibility of relieving the situation for this year, at least to some extent, and that is to obtain maximum efficiency from the present inadequate supply of cars. The railroads themselves have made marvelous strides toward greater efficiency in freight handling, but there are still many abuses. As I see it, the appropriate action for Congress to take toward relieving this situation and toward meeting what is inevitably bound to be an emergency is to pass legislation which can direct the Interstate Commerce Commission, at least partially, to eliminate the abuses.

I have introduced a bill for the consideration of the House Committee on Interstate and Foreign Commerce which at least suggests several steps the ICC can take to speed up the movement of freight cars.

The bill I have introduced provides the Commission with authority, under emergency conditions: First, to levy a penalty against a railroad for failing to supply a shipper with a car within a reasonable time; second, my bill gives the Commission the authority to levy a penalty against any shipper, including the Government of the United States, who holds and uses a freight car for storage purposes; third, my bill gives the Commission the authority to prescribe the routing of traffic in such manner as to insure the minimum per diem use of a car from the shipper to its destination; and fourth, the bill gives the Commission the authority to levy a penalty per

diem against any railroad which is unreasonably holding on its lines cars owned by another railroad.

Admittedly, these provisions place drastic power in the hands of the Interstate Commerce Commission, but a crisis such as we inevitably face would seem to require the application of drastic remedies.

I hope the Committee on Interstate and Foreign Commerce will give early attention to this bill and the problem it seeks to solve. That great committee with its professional staff may have better ideas to incorporate into law. My only hope is that something be done and be done soon. It is already much later than you think.

SCHOOL-MILK PROGRAM

(Mr. LAIRD asked and was given permission to address the House for 1 minute.)

Mr. LAIRD. Mr. Speaker, I listened with a great deal of interest to the debate that took place a few minutes ago regarding H. R. 8320. There is a great deal of misunderstanding about what this bill actually does. The Senate has added an amendment to this bill which provides for a 2-year extension for the school-milk program, which is serving 16 million American schoolchildren. Also included was an amendment which provides for the continuation of the brucellosis program for the next 2 fiscal years.

It is important that this bill with these extensions become law as soon as possible in order for each of the 48 States to make its school-milk plans for the new school year and for each State department of agriculture to proceed with plans for their brucellosis program for the next fiscal year. It is most important that the House recede from its position and accept the Senate amendments. If the conference which takes place at 3 o'clock this afternoon does not result in the House's receding from its position, I intend to oppose the conference report and support the motion of my colleague the gentleman from Wisconsin [Mr. BYRNES] that the conference report be rejected and that the House recede from its position and accept the Senate amendments. It is important that this legislation with the Senate amendments be sent to the White House immediately. This procedure is the only one available to positively insure that the school-milk and brucellosis programs are extended for the next 2 years.

EXTENSION OF SUGAR ACT

(Mr. THOMSON of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMSON of Wyoming. Mr. Speaker, in view of the delay in appointing House conferees on the bill to extend the Sugar Act, H. R. 7030, I hope the conferees will act with dispatch.

In my opinion, there were certain deficiencies in H. R. 7030 as it passed the House to which I called attention at the time. The bill, as amended by the Sen-

ate, corrects some of these deficiencies. I think we should agree to the Senate amendments.

We hear many statements on doing something about our agricultural situation. Here is an opportunity to do something. The farmers of 50 percent of our States are directly and vitally affected by this sugar legislation. Many other crops, States, and farmers are indirectly affected.

Another planting season is upon us. The expiration date of the Sugar Act is rapidly approaching. This important segment of our farm economy is entitled to have the uncertainty removed. I hope the conferees will report and the legislation be enacted without delay to accomplish these purposes.

ST. PATRICK'S DAY

(Mr. KEATING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KEATING. Mr. Speaker, March 17 is a bright day for all men of good will, whether they claim direct connection with Ireland or not. For on that day, all of us can wear a bit of green as a token of our esteem and love for Ireland and for St. Patrick, who laid the foundations of that land's greatness.

What an altered world it would be without the Irish. It would lack a great deal of its wit and learning, its gaiety and glory, its tears and laughter.

We in this country are especially indebted to the sons and daughters of the Emerald Isle. They have brought to our shores a certain native quality that takes the form of dashing and selfless courage. It is the kind of courage which makes the Irishman lend his heart and soul to any cause he espouses.

All through our history the names of Irish descendants stand out as shining lights. They have toiled, fought, suffered, and sacrificed in the building of our great Nation. They have carved their names deeply on the scrolls of our history and in the deepest recesses of our hearts.

To all Irishmen and to all men everywhere, St. Patrick stands as the symbol of this Irish valor and love of liberty. He is one of the great leaders of all time in the fight for freedom for all mankind and to men of religious conviction particularly his example will be an eternal stimulus. Especially today, with so much of the earth's population trapped behind the Iron Curtain and elsewhere under the heel of godless rulers, we can learn from his life that suffering should lead to even more deeply religious convictions. It is a thought well worth pondering and remembering.

I ask that all men of good faith pause with me today to think upon the life, deeds, and glorious memory of this great, good, and holy man.

It is my earnest hope that America will always pay tribute throughout the land to Ireland, that living symbol of the love of freedom, and to the great St. Patrick, whose life symbolizes devotion to God.

ST. PATRICK'S DAY

(Mr. CANFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CANFIELD. Mr. Speaker, Hal O'Boyle, the noted columnist, writes that on the 17th of March there are two kinds of people—those who are Irish and those who wish they were Irish. Speaking last night in our Nation's Capital, the very distinguished, the very able, and the very witty Prime Minister of the Republic of Ireland, Mr. Costello, said:

I feel very sorry for those few Americans who do not have some Irish connections.

Well, I feel likewise, and I think those Americans are very few indeed. Speaking for myself, I am very proud of those connections, both by blood and friendship. This afternoon, I know the House is going to give a very friendly and a very warm reception to our distinguished visitor from the Republic of Ireland, bearing in mind the timeliness of his visit on the eve of St. Patrick's Day, and having in mind also his own eminence in Ireland, and remembering too the affection between our two peoples and all that the Irish have done to build our United States of America.

Mr. MURRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I am delighted to yield to my friend and colleague, the distinguished gentleman from Illinois.

Mr. MURRAY of Illinois. Mr. Speaker, with respect to the gentleman's statement about feeling sorry for Americans who do not have Irish blood in them, I might say as an Irish American that the fundamental spiritual thing in all Irishmen is love of individual freedom under God, and in that respect every American has Irish blood in him.

Mr. CANFIELD. With that I most certainly agree.

ANNUAL REPORT OF CIVIL SERVICE COMMISSION — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 253)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith the annual report of the United States Civil Service Commission for the fiscal year ended June 30, 1955.

DWIGHT D. EISENHOWER.
THE WHITE HOUSE, March 15, 1956.

INVESTIGATION OF CHARITY APPEALS IN THE NAME OF THE AMERICAN VETERAN

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 376) to authorize the Committee on Veterans' Affairs to investigate and study appeals for charitable contributions made in the

to either give the attorney a passport or a hearing. Now this hearing is not for the purpose of having the attorney testify as to his relationship with the Communist Party, but under the conditions established by the court, is merely a forum to force the Government to expose its informants and its evidence, without any assurance that the attorney will affirm or deny the testimony or evidence.

This is a double barrel strategy advanced by the Communists. For when the courts intervene, the discretionary power of the Secretary of State is destroyed, the Communist Party receives a complete victory. If a hearing is granted, the Communist Party learns the identity of the FBI agents within its ranks. If the Government refuses a hearing, the Communist Party member, the potential espionage agent, receives his passport.

I am reminded of a story about a Communist Party member who was arrested in Virginia for a traffic violation. During his trial he was asked if he were a member of the Communist Party. Boldly and firmly, he answered "No." After the trial, this Communist advised the district secretary of the Communist Party of his testimony. He received immediate protection, as the district secretary prepared an expulsion notice dated prior to his trial.

The denial of membership in the Communist Party cannot be accepted by the Government unless the applicant for a passport demonstrates by his statements that his break with this conspiracy was final and complete. The security of the United States will not be safeguarded through demands that the burden of proof is upon the Government. During our recent hearings dealing with Communist activities among Government employees, more than one witness admitted perjuring himself when questioned about his membership in the Communist Party, while a Government employee.

Applicants for passports sign an oath of allegiance to the United States. However, this oath cannot be accepted when it is executed by an applicant who is a member, or supporter, of the Communist conspiracy. One such applicant was a delegate to the Peking Peace Conference in 1952. He traveled to Peking on a United States passport, stamped "Not valid for travel in Communist China." In spite of this restriction, he traveled to China, even though in his application he withheld the knowledge that he was a delegate to this Communist-sponsored and controlled conference.

In my opinion, the fraud perpetrated on the United States in obtaining and traveling on this passport, was a crime, but his conduct while at the conference constituted treason. This naturalized American not only blamed the death of American servicemen in the Korean war upon the United States, but over the Communist radio, beamed around the world, he confirmed Communist China's charges that the United States had engaged in biological warfare. He based his findings on evidence presented by a Communist scientific commission and the confessions of those Americans who were Communist prisoners of war. That the commission was a fake, and the confessions forged, made no difference to this traitor.

On January 29 of last year, this man was a witness before the Committee on Un-American Activities. Was he a Communist? Was he a delegate to the Peking Peace Conference? Did he make the radio speech which was monitored in the United States? His responses to all these questions were that he refused to answer, because (1), it is improper under the 9th and 10th amendments for the Committee to inquire into the activities of private citizens; (2), because the 4th amendment prevents the searching of his mind; (3), because the 1st amendment

guarantees him freedom of speech and association; and (4), the most important to him—the 5th amendment, which protects him in his fear of self-incrimination.

In discussing the Communists' use of American passports, to conduct their international espionage organization, to cause civil unrest, and to flee from their crimes, I wish to point out that North Carolina was one of the first States to be temporarily denied justice because of a fraudulent passport.

I need not recall to many of you the violent Gastonia textile strike of 1929. This was the strike which resulted in the unfortunate death of the chief of police of Gastonia. This was the strike conceived and led by the Communist Party. As you know, those responsible for the violence were convicted for their crime. The convicted Communist leaders fled North Carolina and the United States through fraudulent passports obtained with the assistance of the Communist Party in New York. Fred Beal, the leader, testified before the committee some 10 years later. He related how he was instructed in the identity of an individual whose name he was to assume. How he obtained a birth certificate belonging to his pseudonym, and thereafter obtained a passport, under which he traveled to Russia. As you know, Beal later chose jail in North Carolina to freedom in Russia.

Beal advised the Congress how his passport was taken from him in Russia. A former head of the Communist Party has testified that American and Canadian passports were the most important item necessary to the successful operation of an international espionage organization. He testified that the Communist International—whether known as "Comintern" or "Cominform"—operated an espionage school in Moscow, known as the Lenin Institute. At the Lenin Institute instructions were given in espionage and sabotage, which instructions included a course in passports. Hundreds of American Communists, most of the present leaders of the American Communist Party, learned how to obtain passports through the use of false birth records, false nationalization certificates, counterfeiting, or other fraudulent methods. These leaders learned their lesson well, because many of them have traveled on passports obtained through forged documents. Not only American Communists have traveled on American passports, but also international Communist agents who were not American citizens.

In the early 1920's, there was established in the United States and in England, a corporation known as "Arcos-America." According to its articles of incorporation, this firm dealt solely in trade between the United States and England with the Soviet Union. Soon after its organization, the British Government suspected that the corporation was a cover for military intelligence activities. In 1927, as a result of evidence obtained through raids on the corporation and its personnel, these suspicions were confirmed. The evidence was so shocking to the people of England, that that country severed diplomatic relationship with the Soviet Union. Included in the evidence obtained were documents which clearly established that the American Communist Party was being financed by the Soviet Union through this corporation. The documents established that an attorney for the Communist Party of the United States, was the individual through whom the money was transmitted, proving that membership in the Communist Party is not an important item in determining a Communist. This same attorney, in 1939, testified before the Dies committee. He testified he was not then, nor had he ever been, a member of the Communist Party.

The head of the English branch of Arcos-America, was an international Communist espionage agent, by the name of Kirchen-

stein. He was not an American, yet it was established that he traveled through Canada in 1922, 1923, and 1925, posing as an American. In 1929, this same Kirchenstein obtained an American passport under the name of Kleges. This was accomplished through orders received by an American Communist from the head of Soviet Military Intelligence. This same Communist traveled to Moscow to obtain these instructions, and thereafter obtained the passport through false naturalization documents, which he obtained through a fellow-Communist, who was an undertaker in Brooklyn, N. Y.

This is not an isolated case. The records relating to the use of fraudulent passports by Communists are voluminous. They include American Communists traveling under false documents into almost every country of Europe, Asia, and South America. All of this activity was carried out through instructions issued by their masters in Russia.

To deceive the American Government, they created travel agencies. The most famous in America was World Tourists. This agency was headed by Golos, the man identified by Elizabeth Bentley as one of the heads of Soviet espionage activities in America. World Tourists, which also handled the travel business of non-Communists, maintained four separate accounts, used solely to cover travel of the Communist Party and its front organizations.

Whittaker Chambers testified at length about the use made of American and Canadian passports by Communist espionage agents. He described how the Communists used members of the Young Communist League to search metropolitan newspapers to learn the identity of people who had died, but who possessed the approximate birthdate and national origin characteristics of an agent whom the Communists desired to use in their espionage apparatus. After obtaining suitable statistics, the Communist Party would then apply for a copy of a birth certificate covering the birth of an individual they found to be deceased. Under the name of a dead man, the espionage agents, armed with an American passport, would then travel the world.

Chambers identified the notorious J. Peters, the author of the Communist manual on organization, as the person in charge of this vital espionage operation.

Many Americans who fought for international communism in Spain during the Spanish civil war, have testified as to how their passports were taken from them when they arrived in Spain. They told of how they were instructed to supply false information to the State Department, in order to cover their intended destination. Others have testified that these passports were used during their validity by Communist espionage agents who were issued these same passports by the Communist headquarters in Russia.

Gerhart Eisler, a leader of the German Communist Party, illegally entered the United States in the early 1930's. After his arrival, he became a leader of the American Communist Party. In 1934, Eisler was called to Russia. Because of his illegal status, he could not apply for or receive an exit or re-entry permit. Therefore, his only recourse was through a fraudulent passport. Utilizing the espionage resources of American Communist agents, he obtained a United States passport, using the naturalization certificate of a member of the Communist Party. Not until after World War II, through the work of the Committee on Un-American Activities, was Eisler exposed, tried, and convicted for a portion of his treachery against America. While on \$25,000 bail, pending appeal from his conviction, he jumped bail, fled to Poland, and again assumed his position of Communist leadership.

Since World War II, the Communists have continued to use American passports to the detriment of the United States and in sup-

port of international communism. American delegates to Communist youth festivals have condemned America to the world. The worldwide peace offensive staged by the Communist conspiracy was under the leadership of American Communists. At Communist peace conferences, American Communists proclaimed to the world that America was a warmongering Nation, while Russia was the bulwark for peace. Labor delegations from America have condemned the United States as a slave labor country, while praising the Soviet Union as the workers' paradise.

These Communist delegates obtained American passports by withholding from the Government the fact that they were both delegates to these Communist conferences, and also the fact that they even intended traveling in the countries where the conferences were held. Many of these conferences, such as the Pekin Conference, which I have discussed, were in countries where travel was restricted by the Department of State.

These disclosures which I have called to your attention, brings us to the current struggle faced by the Secretary of State in an attempt to protect the security of the United States in the cases of applications for passports by Communists. It is a battle which I have indicated we are losing, if, in fact, we have not already lost.

In 1950, together with John S. Wood, of Georgia, and the late Senator McCarran of Nevada, I authored a provision to the Internal Security Act which was intended to deny passports to members of the Communist Party. Knowing the organizations of the Communist Party, I provided that passports should be denied to all persons regardless of their formal affiliation with the Communist Party, if there was in the possession of the Government, reasonable evidence that their travel would advance the cause of the Communist movement.

This is not the time for America to be weak. We need the courage of Andrew Jackson, who told Chief Justice Marshall "Now that you have issued your order, let's see you enforce it."

Delay on Sugar Legislation

EXTENSION OF REMARKS OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1956

Mr. MILLER of Nebraska. Mr. Speaker, yesterday I asked the chairman of the Agriculture Committee, Mr. COOLEY, to be present this morning in order to explain or defend his position in not bringing up the sugar bill for conference. I understand he will ask for conferees today.

It was nearly 8½ months ago that the distinguished chairman of the Agriculture Committee presented H. R. 7030 to this body and even though the committee had conducted no hearings on the bill, because of its importance, on July 30, 1955, it was passed by the House with an overwhelming majority.

On February 8 of this year, the other body passed this measure with certain amendments which would give all domestic sugar producers a more just and proportionate share of the American sugar market. On that same day the Presiding Officer of the Senate appointed conferees on the part of the Senate to

adjust the differences between their bill and the House bill.

For some reason, the chairman of the Agriculture Committee has not seen fit to even appoint conferees to meet with those from the Senate who were appointed on February 8. I know the gentleman from North Carolina who heads the Agriculture Committee is a busy man but I am sure he will not plead that he is too busy to attend to the responsibilities of his office. In his original presentation of this legislation, the chairman of that committee referred to this legislation in these terms, "It is of far-reaching importance because it affects people in far-distant places and it vitally affects every one of your constituents."

In view of the urgent need of this legislation as expressed by the gentleman from North Carolina, would it not be appropriate or him to now appoint conferees and get this bill on the way. I think the Members of the House have a right to know why this important legislation is being delayed. Why did the chairman refuse to name conferees?

The beetgrowers of my district are nearing the beet-planting season. The domestic sugar producers are acutely aware that legislation is needed. It is needed now. Perhaps the gentleman from North Carolina who has not appointed the conferees can explain the delay for their benefit.

Thirty Years of Service by the Farrell Lines of New York

EXTENSION OF REMARKS OF

HON. HERBERT C. BONNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1956

Mr. BONNER. Mr. Speaker, within the maritime industry of our Nation there are many fine publications. One that recently came to our attention is the Farrell Lines News of February 1, 1956. It is noteworthy that this is purely an amateur effort written by and for the employees of the Farrell Lines, of New York, which serves an essential trade route between the United States and Africa.

An article referring to the 30 years of service of this great American steamship company is of particular interest since it demonstrates the soundness of our national maritime policy.

Under unanimous consent, I include in the RECORD this eloquent summarization of one steamship company's growth and rise:

1926-56

In history's measure and life's span 30 years is but a generation. Among privately owned American-flag, off-shore shipping enterprises, three decades is a respectable age. Accordingly, the recent anniversary of January 27, 1926, may warrant comment and the maturity attained excuse a look both ahead and astern.

Time and fortune have favored us in all things save one. Few remain who shared

the thrill of the inaugural voyage of steamship *West Isleta*. A small but faithful band, we rejoice with those who have earned their leisure in retirement. We save our fondest memories for those who have embarked for Fiddlers Green.

Looking back, we recall countless causes for satisfaction. The greatest of these are not to be found in ledger balances.

Trade and service has expanded sixfold. Area served has more than tripled. Employment directly provided at sea and on shore has been multiplied by six. The present fleet—four times larger, twice as fast and half as old—represents an investment of more than thirty times the original capital subscribed. And this increase has come from ploughed-back earnings only. We are proud of this record and of everyone who ever contributed to it. We hold that the results obtained are adequate compensation for all the effort and anxiety necessary to their accomplishment.

In all humility our greatest pride is that in war and peace we have served the best interests of our Nation, its allies and of all our friends in Africa, south of the Sahara.

Looking forward we are refreshed. If courage, imagination, and industry measures up to opportunity, the past can be rendered insignificant by the future.

Production of Poliomyelitis Vaccine

EXTENSION OF REMARKS OF

HON. J. PERCY PRIEST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1956

Mr. PRIEST. Mr. Speaker, every day more parents come to realize that only small amounts of poliomyelitis vaccine—falling far below present needs—are available in their communities for the vaccination of children under age 20 and expectant mothers, constituting the priority group.

In considering the extension through June 30, 1957, of the Poliomyelitis Vaccination Assistance Act of 1955, Public Law 377, 84th Congress, the Committee on Interstate and Foreign Commerce gave careful consideration to the availability of adequate supplies of safe and effective vaccine.

In order to get a first-hand impression and better appreciation of the complexities inherent in the production and testing of the Salk vaccine, the committee visited the plants and laboratories of Eli Lilly & Co., Indianapolis, Ind., which furnished approximately 70 percent of the Nation's total supply of vaccine approved during 1955 and the first 6 weeks of 1956.

In submitting its summary statement on poliomyelitis vaccine production, and the present efforts made by several drug companies to increase their production, the committee takes cognizance of presently existing shortages of available vaccine supplies. The committee desires to emphasize, on the other hand, the magnitude of the achievement resulting from the wholehearted cooperation among scientists in the pharmaceutical industry, private research institutions, and

May 9, 1956

Educational Exchange program (S. Rept. 1959). p. 6932

10. ORGANIZATION. Sen. Kennedy submitted and commented on the report of the Government Operations Committee on the proposed creation of a position of Administrative Vice President in the Executive Office (S. Rept. 1960). p. 6932

11. FORESTRY.. Sen Neuberger submitted (for himself and Sen. Morse) and explained amendments to H. R. 10660, the road construction bill, for the purpose of expanding the existing roads within the national forests and national parks. p. 6935

The "Daily Digest" states that the Agriculture and Forestry Committee agreed to report without amendment S. 2967, adding certain lands to Superior National Forest. p. D450

12. SUGAR. Sen. Millikin was appointed a conferee on H. R. 7030, providing for the extension of the Sugar Act, in the place of Sen. Martin. p. 6936, 6985

13. TRANSPORTATION. Sen. Humphrey urged the Interstate and Foreign Commerce Committee to expedite action on S. 2770, to alleviate the shortage of railway boxcars, and inserted a newspaper article urging similar action. p. 6952

14. ATOMIC ENERGY. Sen. Anderson spoke on the importance of congressional leadership in setting objectives and policies to guide the civilian atomic energy program, and the plans of the Jt. Committee on Atomic Energy in this field. p. 6975

HOUSE

15. APPROPRIATIONS. Began debate on H. R. 10986, the Defense Department appropriation bill for 1957. pp. 6990, 6992

16. INFORMATION. The Judiciary Committee reported without amendment H.R. 10417, to amend the Federal Register Act so as to provide that the President may make notice of certain of his acts by other means if, in the event of an enemy attack upon the U. S., the effectiveness of the Federal Register would be limited (H. Rept. 2143). p. 7049

17. TERRITORIES AND POSSESSIONS. The Subcommittee on Territorial and Insular Affairs of the Interior and Insular Affairs Committee ordered reported to the full committee with amendment H. R. 9216, to provide for the extension of certain provisions of Federal laws, including the Federal Seed Act, the Vocational Education Act, and Wildlife restoration authorities to Guam, Puerto Rico, Hawaii, Alaska, and the Virgin Islands. p. D454

18. PERSONNEL. Rep. Rogers inserted the statement of D. R. Wilson, American Legion, criticizing certain provisions of the Bradley Commission's report on Veterans' Benefits. p. 7020

Rep. Long inserted his letter to the President requesting information as to the President's attitude on the Bradley Commission's report, and the text of a telephone message from the White House observing that the Commission's report on Veterans' Benefits was under consideration and analysis, but no recommendations had been made. p. 7027

19. RESEARCH. Rep. Thompson, N. J., cited the increased participation of large corporations in Federal research projects, and suggested that the Government should distribute such projects among small businesses and conduct more research with its own facilities. p. 7037

ITEMS IN APPENDIX

20. PERSONNEL. Sen. Wiley inserted his address discussing various programs of engineering research and development and the challenging issue of automation. p. A3703
21. LIBRARY SERVICES. Speech in the House of Rep. Smith, Wis., raising the point "that no Federal function is involved under the provisions of the bill" H. R. 2840, to promote the further development of public library service in rural areas. p. A3708
Sen. Kennedy inserted several newspaper articles favoring the proposed bill to create a National Library of Medicine. pp. A3715, A3716, A3717, A3719, A3721, A3723, A3725.
22. FOREIGN AID. Sen. Bush inserted Eugene R. Black's, Pres. of the World Bank, recent address, "International Bank For Reconstruction and Development", outlining problems of, and programs for, the underdeveloped areas of the world. p. A3710
Extension of remarks of Rep. Fogarty stating that "I have an abiding and continued interest in the success achieved by our foreign-aid programs..." and inserting a newspaper article, "Should Recipients Have More Say In Our Foreign-Aid Programs?". p. A3743
23. FARM PROGRAM. Sen. Humphrey inserted a constituent's letter criticizing the President's veto of the farm bill. p. A3715
24. SOIL CONSERVATION. Rep. Davis inserted the annual report of M. F. Schweers, Wis. State conservationist, to district supervisors of the Soil Conservation Service in Wis...p. A3719
Rep. Wickersham inserted his statement before the Senate Appropriations Committee in support of proposed appropriations for the Soil Conservation Service. p. A3721
25. SCHOOL LUNCH. Rep. Wickersham inserted his statement before the Senate Appropriations Committee in support of the national school lunch program, including selected statistics on this program in Okla., for fiscal years 1947-55. p. A372
26. WEATHER. Sen. Kennedy inserted a newspaper editorial favoring increased appropriations for an improved Weather Bureau program. p. A3728
27. FORESTRY. Sen. Neuberger inserted an Oregon State Alumni Ass'n magazine article, "Fifty Years of Forestry", including articles written by Dean W. F. McCulloch, Donald W. Pitts, and Henry Clepper, describing the history of forestry schools. p. A3730
28. FAMILY FARM. Rep. Long inserted a constituent's letter criticizing this Department's acreage allotment program for cotton and stated that "this letter is self-explanatory and a sample of hundreds I am receiving from my district". p. A3732
29. FOREIGN TRADE. Rep. Bolling inserted Roscoe Drummond's article stating that "the Eisenhower administration is going to have quite a fight on its hand to win one of its main objectives at this session: Congressional approval for United States membership in OTC--Organization for Trade Development". p. A3737

SHELLFISH RESEARCH LABORATORY AND EXPERIMENT STATION IN CHESAPEAKE BAY AREA

Mr. BUTLER. Mr. President, I introduce, for appropriate reference, a bill to authorize the construction of a fish research laboratory and experimental station in the Chesapeake Bay area. Knowing of Senator BYRD's keen interest in such matters, after drafting the bill I sent it to him for his consideration. He has given it his careful consideration and has done me the honor of joining with me as a cosponsor.

The United States Fish and Wildlife Service has been studying the shell fisheries in the Chesapeake Bay for the last 10 years. Their laboratory has been located in Annapolis, housed in a recreation building of a temporary Federal housing installation. This building is almost one mile from the nearest water and dock. Under these conditions the research work has been limited to field studies.

The Service is planning to expand its shellfish research work on the Chesapeake Bay. They will include studies on hard and soft clams as well as expanded research on oysters. Additional personnel are in process of being transferred to carry on this work.

The Fish and Wildlife Service has shellfish research installations operating out of Woods Hole, Mass.; Milford, Conn.; Beaufort, N. C., and Pensacola, Fla. The oyster production from Maryland and Virginia waters totals in excess of 6 million bushels valued at \$18 million to the catcher. After processing the value of the product increases to more than \$30 million annually. This production is greater than any other area in the United States.

It is my strong feeling that the quality and extent of research would be greatly improved by the construction of an adequate marine laboratory. As I understand it, the United States Fish and Wildlife Service is of the opinion that improved facilities such as those contemplated and to be authorized by this bill are essential for it to carry out an expanded research program.

The cost of construction of a laboratory to provide the building and facilities needed will approximate \$250,000, I am reliably informed. I am confident that such an expenditure will result in findings which will repay this investment many times over.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3827) to authorize the construction of a shellfish research laboratory and experiment station in the Chesapeake Bay area, introduced by Mr. BUTLER (for himself and Mr. BYRD), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

CONSTRUCTION OF CERTAIN WORKS OF IMPROVEMENT ON THE NIAGARA RIVER—AMENDMENT

Mr. COTTON submitted an amendment intended to be proposed by him to the bill (S. 1823) to authorize the construction of certain works of im-

provement in the Niagara River for power and other purposes, which was ordered to lie on the table and to be printed.

TRANSFER OF CERTAIN GOVERNMENT-OWNED MANGANESE ORE FACILITIES TO SECRETARY OF THE INTERIOR—AMENDMENTS

Mr. DIRKSEN submitted amendments, intended to be proposed by him, to the bill (S. 3453) to transfer certain Government-owned manganese ore facilities to the Secretary of the Interior, to provide for the erection of one or more beneficiation plants to treat manganese ores, to stimulate the production of certain strategic and critical minerals, and for other purposes, which were referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENTS

Mr. KENNEDY submitted an amendment, intended to be proposed by him, to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

Mr. WILLIAMS submitted amendments, intended to be proposed by him, to House bill 7225, supra, which were referred to the Committee on Finance, and ordered to be printed.

Mr. JOHNSTON of South Carolina submitted amendments, intended to be proposed by him to House bill 7225, supra, which was referred to the Committee on Finance, and ordered to be printed.

CONVEYANCE OF CERTAIN LANDS TO BOARD OF COMMISSIONERS, ST. JOHNS COUNTY, FLA.—AMENDMENT

Mr. MORSE submitted an amendment, intended to be proposed by him, to the bill (H. R. 7471) to provide for the conveyance of certain lands of the United States to the Board of Commissioners of St. Johns County, Fla., which was ordered to lie on the table and to be printed.

AMENDMENT OF FEDERAL-AID ROAD ACT—AMENDMENTS

Mr. NEUBERGER. Mr. President, I submit amendments to the bill (H. R. 10660) the Federal-Aid Highway Act of 1956, which is aimed at increasing the productivity, enjoyment, and usefulness of our national forest and national parks by expanding the existing roads within those areas.

The purpose of the amendments is to add to the version of the Federal Highway Act which was approved by the Senate Committee on Public Works, the

amounts previously adopted by the House of Representatives for road building in four different categories: for forest highways, forest development roads and trails, national parks highways, and Federal parkways.

The amendments would provide the following amounts, which, as I pointed out previously, have already been approved by the House: for forest highways, \$25 million; for forest development roads and trails, \$27 million; for national parks highways, \$16 million; for Federal parkways, \$16 million.

The amounts authorized by the House are fully justified by the increased demands on our forest and parks systems. The sound management of national forests for lumbering, recreation, and other uses, requires construction of roads to improve accessibility.

I would like to point out that these roads are not financed from gas tax or other highway-user levies, but from funds derived from the sale of timber harvested from the national forests. The record shows that this has been a favorable procedure for the Federal Government. The forest road-building programs of the past have provided \$2 in revenue for every \$1 invested by the Federal Government. In addition, these forest roads are built by private contractors and increase the revenues received at Federal timber sales by making harvestable timber available to a larger number of prospective purchasers, thereby increasing the activity of bidders.

A collateral benefit of improved forest access roads accrues to the millions of hunters, anglers, hikers, recreationists, and others who vacation in the national forest areas. The additional construction will open new areas to the vast numbers who seek relaxation in the forested slopes of the public domain.

The same is true of the national parks and national monuments, which are being visited each year by more and more vacationists. Without more adequate roads in the vast Federal recreation areas, our stepped-up Federal highway program would be much like building a dead-end boulevard. More and better roads in national forests and parks are vitally needed so that the millions of pleasure-seeking American motorists will have some place to go when they travel the improved Federal road system of the future. The increase authorizations constitute a realistic approach to attainment of this beneficial objective.

I am pleased to submit the amendments on behalf of myself, the senior Senator from Montana [Mr. MURRAY], my colleague, the senior Senator from Oregon [Mr. MORSE], the senior Senator from Washington [Mr. MAGNUSON], the junior Senator from Washington [Mr. JACKSON], and the junior Senator from Montana [Mr. MANSFIELD]. I ask unanimous consent to have the amendments printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

At the proper place in section 106 (1) strike out the figure "\$22,500,000" and insert in lieu thereof the figure "\$25,000,000", and (2) strike out the figure "\$24,000,000" and insert in lieu thereof the figure "\$27,000,000"; and

At the proper place in section 107 (a) strike out the figure "\$12,500,000" and insert in lieu thereof the figure "\$16,000,000", section 107 (b) strike out the figure "\$11,000,000" and insert in lieu thereof the figure "\$16,000,000."

Mr. MORSE subsequently said: Mr. President, I am delighted to join in sponsoring this amendment to the highway bill with my colleague, the junior Senator from Oregon [Mr. NEUBERGER], who is a member of the Public Works Committee.

Several weeks ago, the Senators from Oregon testified on the House side for increases on timber access roads and we secured them over there. Chairman BUCKLEY wrote me that the testimony the junior Senator from Oregon and I gave, plus the letters of support from our distinguished majority leader, LYNDON JOHNSON, and Senators MAGNUSON, JACKSON, MURRAY, SYMINGTON, SPARKMAN, SCOTT, HUMPHREY, KEFAUVER, LEHMAN, and DOUGLAS, was instrumental in developing House support for the increase they provided.

We are interested in quickly passing a highway bill and I do not propose to argue the merits of the modest increase proposed by the amendment, against the long-range increases in forest roads that we need.

Favorable action by the Senate will be helpful. We have had a total absence of a real program presentation from the other end of Pennsylvania Avenue. This is a crying shame when we consider that the roads covered in these authorizations bring substantial revenues into the Treasury above their cost.

If we want to increase revenues and keep our economy healthy, this program is one of the best steps we can make toward this goal.

EXTENSION OF SUGAR ACT OF 1948—CHANGE OF CONFERE

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator from Pennsylvania [Mr. MARTIN] be excused from further service as a conferee on the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, and that the Senator from Colorado [Mr. MILLIKIN] be designated to serve in his place.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. LANGER:

Speech delivered by him at Carnegie Hall, New York, N. Y., on September 29, 1955.

By Mr. MAGNUSON:

Statement prepared by him relative to the 100th anniversary of the Order of the Sisters of Providence in the Pacific Northwest.

By Mr. WILEY:

Address on engineering research and development, delivered by him before a section of the American Society of Tool Engineers, at Madison, Wis., on April 20, 1956.

Speech by Harvey V. Higley, Administrator of Veterans' Affairs, at River Falls, Wis., April 29, 1956.

By Mr. STENNIS:

Remarks by Senator SCOTT before the Senators' breakfast group on May 9, 1956.

By Mr. MURRAY:

Excerpts from address by the Prime Minister of Ireland, delivered at the annual banquet of the Friendly Sons of St. Patrick, in Philadelphia, Pa.

By Mr. KERR:

Address by Benny T. Rosell, second place winner in the WCTU oratorical contest on the subject Beverage Alcohol and Its Attendant Evils.

By Mr. KENNEDY:

Extracts from address delivered by Adlai E. Stevenson at Miami, Fla., on April 12, 1956.

Editorial entitled "Medical Library Bill," published in the New York Herald Tribune of April 13, 1956.

Editorial entitled "A Medical Treasure Threatened," published in the Chicago Tribune of April 1, 1956.

Editorial entitled "Library of Medicine," published in the Cambridge (Md.) Banner of April 10, 1956.

Article entitled "Books Can Help To Cure," written by Dr. Howard A. Rusk, and published in the New York Times of April 8, 1956.

Article entitled "Bill Would Build Medical Library," published in the New York Times of April 8, 1956.

Editorial entitled "Medicine's Weakened Link," published in the Boston Herald of March 27, 1956.

Letter to the editor of the New York Times dealing with an improved Weather Bureau program, written by Charles F. Brooks, of Milton, Mass., published in the New York Times of April 8, 1956.

Editorial entitled "National Medical Library," published in the New York Times of April 1, 1956.

By Mr. DOUGLAS:

Article entitled "Eisenhower in the White House," written by Robert J. Donovan and published in the New York Herald Tribune of May 3, 1956, relating to the position of the administration with respect to the 1953-54 business recession.

By Mr. LEHMAN:

Article entitled "A Program for Children," written by Adlai E. Stevenson and published in the Parents' Magazine for May 1956.

By Mr. NEUBERGER:

Letter to the editor of the Oregonian dealing with veterans' hospitalization rights and other benefits, written by W. W. Campbell and published in the Oregonian of April 27, 1956.

Article, statement, and letters dealing with the preservation of remnants of an ancient culture in the vicinity of Celilo Falls on the Columbia River, site of The Dalles Dam.

Article entitled "Fifty Years of Forestry," written by W. E. McCulloch, Donald W. Pitts, and Henry Clepper, published in the April 1956 issue of the Oregon Stater.

By Mr. HUMPHREY:

Letter written by Carl J. Newhouse, Alexandria, Minn., relative to the administration's farm policy published in the Park Region Echo, of Alexandria, Minn., for April 26, 1956.

By Mr. BUSH:

Address on the subject International Bank for Reconstruction and Development, delivered by Eugene R. Black, President of the World Bank, at the annual dinner of the Connecticut Chamber of Commerce at Hartford, Conn., on May 9, 1956.

NOTICE OF HEARING ON H. R. 9424, S. 3341, AND S. 3424, BILLS AMENDING THE CLAYTON ACT RELATING TO MERGERS

Mr. O'MAHONEY. Mr. President, on behalf of the standing subcommittee of the Committee on the Judiciary on anti-trust and monopoly legislation, I desire to give notice that a public hearing has been scheduled for Wednesday, May 23, 1956, beginning at 10:30 a. m., in room 424 Senate Office Building, on H. R. 9424, S. 3341, and S. 3424, bills amending the Clayton Act by requiring prior notification of corporate mergers.

Prior to the above mentioned date all persons interested in the proposed legislation should file with the committee such representations as may be pertinent, or communicate their desire to be heard.

The subcommittee consists of the Senator from Tennessee [Mr. KEFAUVER], the Senator from Missouri [Mr. HENNINGSEN], the Senator from West Virginia [Mr. NEELY], the Senator from North Dakota [Mr. LANGER], the Senator from Illinois [Mr. DIRKSEN], the Senator from Wisconsin [Mr. WILEY], and myself, chairman.

NOTICE OF RESUMPTION OF HEARINGS ON VARIOUS CIVIL RIGHTS PROPOSALS BY COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that the Committee will resume hearings on the various civil rights proposals beginning at 2:30 p. m., Wednesday, May 16, 1956, in the committee room, room 424, Senate Office Building.

Persons desiring to be heard should notify the committee in order that a schedule of witnesses may be prepared.

PAYMENT TO CROW INDIAN TRIBE FOR TRANSFER OF CERTAIN RIGHT-OF-WAY

Mr. MURRAY. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives respecting Senate Joint Resolution 135.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 135) for payment to Crow Indian Tribe for consent to transfer of right-of-way for Yellowtail Dam unit, Missouri River Basin project, Montana-Wyoming, which were, to strike out all after the enacting clause and insert:

That from funds appropriated to the Department of the Interior, Bureau of Reclamation, for the Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the

clude the filing of a timely incomplete return under circumstances which led the taxpayer to believe that no tax was due on amounts received under a settlement with the United States."

(b) The amendment made by this section shall apply only with respect to taxable years ending after December 31, 1948.

SEC. 3. Certain distributions in kind.

(a) Section 115 of the Internal Revenue Code of 1939 (relating to distributions by corporations) is hereby amended by adding at the end thereof the following new subsection:

"(n) Certain distributions in kind:

"(1) Notwithstanding any other provision of this section, a distribution of property by a corporation to its stockholders, with respect to its stock, shall be (except as provided in paragraph (2)) considered to be a distribution which is not a dividend (whether or not otherwise a dividend) to the extent that the fair market value of such property exceeds the earnings and profits of such corporation accumulated after February 28, 1913, and the earnings and profits of the taxable year (computed as of the close of the taxable year without diminution by reason of any distributions, except those described in subparagraphs (A), (B), and (C) of paragraphs (3), made during the taxable year) without regard to the amount of the earnings and profits at the time the distribution was made. The preceding sentence shall not prevent the application of subsection (d) to any such distribution.

"(2) In the case of a personal holding company a distribution in property shall not be a dividend to the extent it exceeds the earnings and profits of such corporation accumulated after February 28, 1913, to the beginning of the taxable year, plus the higher of the earnings and profits of the taxable year or the subchapter A net income of the taxable year, adjusted in accordance with paragraphs (1) through (3) of subsection (a), computed as of the end of the taxable year without reduction for any distributions made during the taxable year except those described in subparagraphs (A), (B), and (C) of paragraph (3), made during the taxable year.

"(3) This subsection shall apply to any distribution of property other than—

"(A) money.

"(B) inventory assets, as defined in section 312 (b) (2) of the Internal Revenue Code of 1954, or

"(C) distributions described in section 312 (j) of the Internal Revenue Code of 1954."

(b) The amendment made by this section to section 115 of the Internal Revenue Code of 1939 shall be effective as if it were a part of such section on the date of enactment of the Internal Revenue Code of 1939. No interest shall be allowed or paid in respect of any overpayment of tax resulting from the amendment made by this section.

SEC. 4. Application to poultry of tax on transportation of property.

(a) (1) Section 3475 of the Internal Revenue Code of 1939 (relating to the tax on the transportation of property) is amended by adding at the end thereof the following new subsection:

"(g) Poultry: The tax imposed by this section shall not apply to amounts paid for the transportation of poultry in continuous movement from the farm where the poultry was raised to a dressing plant, located within the local area of such farm, for processing."

(2) The amendment made by this subsection shall apply only with respect to amounts paid after November 30, 1942.

(b) (1) Section 4272 of the Internal Revenue Code of 1954 (relating to exemptions from the tax on the transportation of prop-

erty) is amended by adding at the end thereof of the following new subsection:

"(f) Poultry: The tax imposed by section 4271 shall not apply to amounts paid for the transportation of poultry in continuous movement from the farm where the poultry was raised to a dressing plant, located within the local area of such farm, for processing."

(2) The amendment made by this subsection shall apply only with respect to amounts paid after December 31, 1954, for transportation which begins after such date.

(c) No interest shall be allowed or paid in respect of any overpayment of tax resulting from the amendments made by this section.

SEC. 5. Trademark and trade name expenditures.

(a) Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by inserting after section 176 thereof the following new section:

"SEC. 177. Trademark and trade name expenditures.

"(a) Election to amortize: Trademark or trade name expenditures paid or incurred after December 31, 1955, may, at the election of the taxpayer (made in accordance with regulations prescribed by the Secretary or his delegate), be treated as deferred expenses. In computing taxable income, such deferred expenses shall be allowed as a deduction ratably over such period of not less than 60 months after such expenditures are paid or incurred, as may be selected by the taxpayer.

"(b) Trademark and trade name expenditures defined: The term 'trademark or trade name expenditures' means any expenditure which—

"(1) is directly connected with the acquisition, protection, expansion, registration (Federal, State, or foreign) or defense of a trademark or trade name;

"(2) is chargeable to capital account; and

"(3) is not part of the consideration paid for a trademark, trade name, or business.

"(c) Time for and scope of election: The election provided by subsection (a) shall be made within the time prescribed by law for filing the return for the taxable year (including extensions thereof). The period so selected shall be adhered to in computing the taxable income of the taxpayer for the taxable year for which the election is made and all subsequent years."

(b) The table of sections of part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by inserting at the end thereof

"SEC. 177. Trade-mark and trade name expenditures."

(c) The amendments made by this section shall apply only with respect to taxable years beginning after December 31, 1955.

SEC. 6. Livestock sold on account of drought.

(a) Section 1033 of the Internal Revenue Code of 1954 (relating to involuntary conversions) is hereby amended by redesignating subsection (f) thereof as subsection (g) and by inserting after subsection (e) of such section the following new subsection:

"(f) Livestock sold on account of drought: The sale of livestock (other than poultry) held by a taxpayer for draft, breeding, or dairy purposes in excess of the number the taxpayer would sell if he followed his usual business practices shall be treated as an involuntary conversion to which this section applies if such livestock—

"(1) are held in an area—

"(A) in respect of which the President determines under the act of September 30, 1950, as amended (42 U. S. C. 1855-1855g), that a major disaster exists because of drought, and

"(B) which is found eligible by the Secretary of Agriculture for emergency assistance under section 2 (d) of the act of April 6,

1949, as amended (12 U. S. C. 1148a-2) or for relief under clause (2) of the fifth sentence of section 407 of the Agricultural Act of 1949, as amended (7 U. S. C. 1427) and

"(2) are sold (whether before or after such determination) by such taxpayer solely on account of such drought."

(b) The amendment made by this section shall apply only with respect to taxable years beginning after December 31, 1955.

The PRESIDING OFFICER. The question is on agreeing to committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to amend the Internal Revenue Codes of 1939 and 1954, and for other purposes."

CHANGE OF CONFEREE ON H. R. 7030, PROVIDING FOR AN EXTENSION OF THE SUGAR ACT

Mr. BYRD. Mr. President, the Senator from Pennsylvania [Mr. MARTIN] has resigned as a conferee on H. R. 7030, providing for the extension of the Sugar Act, and I ask unanimous consent that the Senator from Colorado [Mr. MILLIKIN] be appointed in his place.

The PRESIDING OFFICER. Without objection, it is so ordered.

INSURANCE AGAINST FLOOD DAMAGE

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1886, Senate bill 3732.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3732) to provide insurance against flood damage, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

LEGISLATIVE PROGRAM—RECESS

Mr. JOHNSON of Texas. Mr. President, I should like to announce for the information of the Senate that, following the disposition of Calendar No. 1886, Senate bill 3732, which has just been made the unfinished business, it is the purpose of the leadership to proceed to the consideration of Calendar No. 1896, Senate bill 3108, to encourage the construction of modern Great Lakes bulk cargo vessels; Calendar No. 1894, H. R. 483, to amend the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947, as amended, so as to provide for appointment of doctors of osteopathy in the Medical Corps in the Army and Navy; and Calendar No. 1899,

H. R. 9429, to provide medical care for dependents of members of the uniformed services, and for other purposes.

The bills will be considered not necessarily in that order, Mr. President, but I should like the Senate to be on notice that the leadership has agreed to take up those bills.

It is not the intention to have any votes this evening. If no Senator desires to present any matter at this time, I shall move that the Senate take a recess until tomorrow.

Mr. President, I move that the Senate now stand in recess until 12 o'clock noon tomorrow. I suggest that if we may have a full day tomorrow and can dispose of all the measures which I have announced, it is possible that the Senate will go over until Monday.

I should like to give notice that such a motion may be made.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to; and (at 5 o'clock and 49 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 10, 1956, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 9 (legislative day of May 7), 1956:

NATIONAL SCIENCE BOARD

The following-named persons to be members of the National Science Board for terms of 6 years expiring May 10, 1962:

Laurence McKinley Gould, of Minnesota. (Reappointment.)

Paul M. Gross, of North Carolina. (Reappointment.)

George D. Humphrey, of Wyoming. (Reappointment.)

Frederick A. Middlebush, of Missouri. (Reappointment.)

Edward James McShane, of Virginia, vice John W. Davis, term expired.

Samuel Milton Nabrit, of Texas, vice Edwin B. Fred, term expired.

Julius A. Stratton, of Massachusetts, vice O. W. Hyman, term expired.

Edward Lawrie Tatum, of California, vice Earl P. Stevenson, term expired.

IN THE COAST GUARD

Joseph A. Kerrins for promotion to the permanent rank of rear admiral in the United States Coast Guard.

IN THE AIR FORCE

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, 80th Congress (Officer Personnel Act of 1947); title II, Public Law 365, 80th Congress (Army-Navy-Public Health Service Medical Officer Procurement Act of 1947); and section 307 (b), Public Law 150, 82d Congress (Air Force Organization Act of 1951), with a view to designation for the performance of duties as indicated:

To be major, USAF (Medical)

Francies Marshall

To be captains, USAF (Medical)

Francis X. Farrell

Jack R. Starrett, O946664.

To be captains, USAF (Dental)

Edward E. Davis, AO2240587.

Donald E. Kurth, AO1906888.

Edward J. Prejean, Jr., O427771.

Arthur J. Sachs, AO1906183.

Charles W. Seamands, AO1906530.

Ira L. Shannon, AO1906564.

Milton D. Wyngarden

To be first lieutenants, USAF (Medical)

Charles M. Aaronson, AO3043103.

Donald W. Acker, AO741437.

Thorne J. Butler, AO3043222.

William H. Carranza, AO3043224.

George R. Cary, Jr.

Don L. Christensen, AO3043225.

John E. Eagleton, AO3043231.

Robert H. Edwards, O4022249.

Richard C. Froede, AO3043198.

John T. Hart, AO2218328.

James S. Harvin, AO3000787.

James H. Hockenberry, AO3043193.

Vernon L. James, Jr.

Kenneth M. Jensen, AO3043245.

Charles C. Keith, Jr., AO3043203.

Gregory B. Krivchenia

Charles K. Landrum, AO1856169.

Vernor F. Lovett, AO3043093.

William K. I. Manning, AO3043252.

John F. McCloskey, AO3043134.

Jay W. McRoberts

Gunter R. Meng

Robert T. Miller, AO3043254.

Edward H. Mills

David P. Minichan, Jr., AO2233026.

William J. Mitchell, AO3043255.

Patrick J. Moore, AO2217030.

Herbert A. Muller, Jr., AO3043256.

John T. Purvis, AO2261924.

Howard F. Rickenbach, Jr., AO3043267.

James A. Roman

Anthony N. Scalco

Richard H. Schwarz

John R. Scott, AO3043273.

Ferdinand L. Solisson, Jr., AO3042884.

Donald B. Strominger, AO3001639.

Irwin T. Taylor, AO3001894.

Fred K. Viren, AO3044156.

Forrest S. Warner, AO3041625.

Morgan E. Wing, AO2255714.

To be first lieutenants, USAF (Dental)

Clair W. Andrus

Stephen T. Braum

Norman L. Esterl

James A. Hitchens, AO3001090.

Cari E. Johnson, AO730268.

Edwin B. Rosen

Robert R. H. Sutherland, AO3043654.

John J. Travis

Wallace T. Urata, AO981869.

To be first lieutenants, USAF (Veterinary)

Donald L. Anderson, AO2261570.

Charles F. Clause, AO3000154.

Ernest B. Rushing, Jr., AO3000240.

Otto S. Shill, Jr., AO3000710.

To be first lieutenants, USAF (Medical Service)

Merrill B. DeLong, AO1327517.

William G. Neubrand, AO2230004.

Francis J. Smith, AO2213609.

Myri E. Wilson, AO2241093.

To be second lieutenants, USAF (Medical Service)

James E. Bousser, AO2262010.

Elwood E. Fisher, AO3013109.

Jeremiah R. Lynch, AO3001446.

William H. Newton, AO2262019.

Walter H. Williams, AO3000093.

The following-named persons for appointment in the Regular Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of sections 101 (c) and 102 (c), Public Law 36, 80th Congress (Army-Navy Nurses Act of 1947), as amended by section 5, Public Law 514, 81st Congress, and Public Law 37, 83d Congress, with a view to designation for the performance of duties as indicated under the provisions of section 307, Public Law 150, 82d Congress (Air Force Organization Act of 1951):

To be first lieutenants, USAF (Nurse)

Joan M. Caddell, AN795815.

Mary J. Evans, AN2214423.

Margaret H. Maschino, AN2241704.

Margaret T. Merritt, AN2244419.

Virginia M. Niebauer, AN2241662.

Mary E. Roop, AN1912791.

Katherine I. Shealy, AN2242119.

Beatrice N. Toth, AN2242922.

Lois J. Wikoff, AN792691.

To be first lieutenants, USAF (Medical Specialist)

Carolyn E. Bobo, AR3001035.

Marian J. Hayton, AR2485.

The following-named cadets, United States Military Academy, for appointment in the Regular Air Force, in the grade of second lieutenant, effective upon their graduation, under the provisions of section 506, Public Law 381, 80th Congress (Officer Personnel Act of 1947). Date of rank to be determined by the Secretary of the Air Force:

Don Eugene Ackerman

Michael Houston Alexander

B. Conn Anderson, Jr.

Darrell Leslie Anderson

Gerald David Ankenbrandt

Robert Todd Barrett

Robert Chapman Beyer, Jr.

Robert Moulton Blocher

Stuart Waddington Bowen

Alfred Connor Bowman, Jr.

Robert Ellsworth Brown

Nicholas Joseph Bruno

Frank Albert Burd, Jr.

Edmund Dederick Burhans II

Dennis Lee Butler

Joel Richard Campis

Howard Ray Cannon

William Christi Carey

Darold Wendle Clonts

Thomas Joseph Cody, Jr.

James Arnold Cook

Roland Bertram Crase

Terry Wayne Creighton

William Penn Crum

Richard Joseph Daleski

Lee Armistead Denson, Jr.

Frederick Rodgers Dent III

Joseph Mark Dougherty

Paul Gustave Dougherty

Richard Patrick Dowell

Albert James Dye

Donald Lee Ernst

Theodore Martin Faurer

Hugh LaVerne Filbey

Norman Clark Folden, Jr.

Henry Ronald Gaude

James Harper Gordon

Robert English Grassberger

Merrill Anson Green, Jr.

Paul Hilger Greisen

John Martin Gromek

Alfred John Hallisey

Charles Rowland Hamm

John Arthur Hampton

Norris Brown Harbold, Jr.

Richard Henning Head

Joel Stanley Hetland

John Henry Higgins III

Alfred Hoffman, Jr.

Harold Gordon Holmquist

Gerald Lee Irwin

Paul Anthony Jakus

William Robert Jarmon

Douglas Stoddard Johnson

John Milton Kamm, Jr.

Lislie Greene Kendall, Jr.

Thomas Edward Kirchgesner

Harry Kotellos

Robert Douglas Krutz

Jerome Glen Lake

Kenneth Earl Lang

Samuel Murray Lansing

George Firmin Leonard

James Ambrose Linden

Aaron B. Loggins

Richard Wetzel Lorey

Neale Malcolm Luft

George Patrick Lynch, Jr.

Nicholas Alexander Mavrotheris

Irwin Benton Mayer

Lester Stearns McChristian, Jr.

William Wallace McClung

James Stephen McMahon

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 15, 1956
For actions of May 14, 1956
84th-2nd, No. 78

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HIGHLIGHTS: Conferees agreed to report on sugar bill. House passed agricultural appropriation bill. Sen. Morse introduced and discussed bill to provide assistance for disaster-stricken orchards. Rep. Reece commended Department's rural development program. House committee reported bill to merge intermediate credit banks and PCA's.

SENATE

1. ELECTRIFICATION. Began debate on S. 1823, to authorize the construction of works of improvement in the Niagara River for power and other purposes. pp. 7196, 7234, 7240, 7241
2. NOMINATION of Sam H. Bober to the Federal Farm Credit Board was confirmed. p. 7185
3. WHEAT. Sen. Neuberger commended the efforts of the Oregon Wheat Growers League to advertise our wheat in foreign countries. p. 7200
4. ALASKA STATEHOOD. Sen. Neuberger inserted articles on Alaska's recent efforts to attain statehood. p. 7201
5. FOREIGN TRADE. Sen. Beall inserted a magazine article and a letter from Gov. McKeldin criticizing the present tariff rate on watches. p. 7202
Sen. Humphrey inserted and discussed an economic analysis of the effects of foreign trade on Minn. p. 7206

HOUSE

6. AGRICULTURAL APPROPRIATIONS. Passed without amendment H. R. 11177, the agricultural appropriation bill. pp. 7261, 7284

7. RURAL DEVELOPMENT. Rep. Reece commended this Department's rural development program in certain counties in Tenn. and urged that appropriations for this program should reflect the full request of USDA. p. 7255
8. FARM LOANS. The Agriculture Committee reported with amendment H. R. 10285, to merge production credit corporations and Federal intermediate credit banks, to provide for retirement of Government capital in Federal intermediate credit banks, and to provide for supervision of production credit associations (H. Rept. 2160). pp. 7285, D471
9. PERSONNEL. The Post Office and Civil Service Committee reported without amendment S. 3315, to amend Sec. 5 of the Civil Service Retirement Act regarding death benefits (H. Rept. 2153); H. R. 10368, to require that any agency of the Executive Branch, requesting expanded functions or programs, shall submit a statement containing information as to the number of civilian officers and employees required to carry out the additional or expanded functions (H. Rept. 2155); and S. 3237, to provide for continuance of life insurance coverage under the Federal Employees' Group Life Insurance Act in the case of employees receiving benefits under the Federal Employees' Compensation Act (H. Rept. 2158). p. 7284
This Committee reported with amendment H. R. 11040, to provide for certain supergrade positions with scientific or professional qualifications in the Departments of Defense, Interior, and Commerce (H. Rept. 2161). p. 7285
10. ATOMIC ENERGY. Rep. Bass urged further development of atomic energy for peaceful purposes. p. 7256
11. TAXATION. House conferees were appointed on H. R. 6143, relating to certain tax provisions on the transportation of poultry and the sale of livestock on account of drought. p. 7252 (Senate conferees have not yet been appointed.)
12. SUPPLEMENTAL APPROPRIATION BILL; LEGISLATIVE PROGRAM. The Majority Leader announced that this bill, H. R. 10004, is to be considered Wed., May 16. p. 7254
13. SUGAR. On May 12 the conferees agreed to file a report on H. R. 7030, the sugar bill. The "Daily Digest" includes the following statement:
"There were three main points of difference between the House and Senate bills, namely, the length of the extension, the percentage of increased demand in the United States allocated to foreign and to domestic producers, and the division of the foreign shares among the producing countries.
"1. The Senate conferees receded on the length of the extension and adopted the 4-year period in the House bill rather than the 6 years as passed by the Senate.
"2. The House conferees receded on the percentage allocated to foreign and domestic producers and adopted the Senate formula of 55 percent of the increase to domestic producers and 45 percent to foreign suppliers. The House bill would have divided the increase 50 percent to each.
"3. A compromise was worked out on the share allocated to each foreign supplier on the basis of percentage of total sugar shipments to the United States by Cuba and all the full-duty countries. The following table compares House and Senate bills and shows the compromise agreed upon by the conferees.

Comparison of percentages of total quantities of sugar to be
supplied by Cuba plus all full-duty countries

	House bill	Senate bill	Conference agreement
Cuba	92.4	94.4	93.75
Mexico.....	1.4	1.2	1.2
Peru	2.5	2.2	2.3
Dominican Republic.....	2.6	1.2	1.75
Other	1.1	1.0	1.0
Total.....	100.0	100.0	100.0

PRINTED HEARINGS RECEIVED IN THIS OFFICE

14. DEFENSE PRODUCTION. S. 3407, to extend the Defense Production Act of 1950, as amended. Senate Banking and Currency Committee.
15. FISHERIES. S. 2379, S. 3275, and S. 3339, relating to a national fisheries policy and creation of a fisheries commission. Senate Interstate and Foreign Commerce Committee.
16. FORESTRY. Newsprint study. House Interstate and Foreign Commerce Committee.
17. AGRICULTURAL APPROPRIATIONS FOR 1957. Agricultural Subcommittee of House Appropriations Committee. Commodity Credit Corporation Sales Program. (Copies of these hearings have been distributed to the budget officers of the various agencies of the Department, pursuant to a distribution list that was prepared in cooperation with the agencies. Copies are not available from the Legislative Reporting Staff. A small reserve supply, to meet emergency needs, is available in the Division of Estimates and Allotments, Ext. 5901.)

ITEMS IN APPENDIX

18. FOREIGN TRADE. Rep. Frelinghuysen inserted a newspaper article stating that it is the strong conviction of the President that "American labor, agriculture and business will be benefited by what OTC can do in expanding world trade". p. A3852
Rep. Simpson inserted various petitions of small industrial concerns and agricultural producers opposing proposed U. S. membership in OTC. p. A3890
19. FOREIGN AID. Rep. Flood inserted a newspaper article discussing the closing of various U. S. foreign economic aid missions "which proves that these foreign aid programs do not have to go on forever, but can be terminated in time". p. A3857
Sen. Martin inserted a newspaper editorial, "No Help To Uncle Sam--Foreign Aid Via The U.N.". p. A3864
Sen. Humphrey stated that "it is regrettable that the present foreign-aid program and the one designed for fiscal year 1957 places so little emphasis upon the use of the U. N. technical-assistance project" and inserted a newspaper article urging a "new kind of Point-4". p. A3872

Rep. Smith, Wis., inserted Dr. John H. Reisner's statement before the House Foreign Affairs Committee dealing with title III of the Mutual Security Act of 1956--technical cooperation--and particularly the section dealing with the United States bilateral program. p. A3898

Rep. Smith, Wis., inserted the statement of Elgin Groseclose, economic consultant, before the H. Foreign Affairs Committee pointing out that our foreign aid program, as presently operating, is based upon certain facilities and stating, in a 7 point summary, reasons why he believes the foreign-aid program is "bad policy". p. A3900

20. NATURAL RESOURCES. Sen. Morse inserted Sen. Kefauver's speech criticizing the administration's approach to the development of natural resources as a "don't do it" approach, and former Secretary of Interior McKay's power policies. p. A3859

Sen. Morse inserted an editorial, "Ike's Choice of Interior Head Will Be Revealing". p. A3851

21. PERSONNEL. Rep. Van Zandt inserted an editorial, "Above the Atom" and stated that it was selected by the governor's committee on employment of the handicapped as one of 3 outstanding editorials in Penn. newspapers on the advantages of hiring disabled persons. p. A3861

22. FARM PROGRAM. Sen. Morse inserted 3 newspaper editorials including one criticizing the President's veto of the farm bill and stating that "surly, Benson's actions, attitude, and inactions are approved by the President". p. A3863

Rep. Springer inserted Stewart Alsop's article, "Genius At Work In White House", discussing the veto of the farm bill and the appointment of Sen. George by the President as his personal ambassador to NATO. p. A3887

23. FARM INCOME. Sen. Langer inserted the daily radio roundup of the Farmers Union Grain Terminal Association stating "that sagging farm income ought to be a flashing red danger signal to the rest of the country". p. A3864

24. COFFEE. Sen. Martin stated that he had discussed many times the difficulties interent in attempting to stabilize the prices of commodities through inter-governmental commodity agreements and commended the State Dept. for their position in deciding not to participate in the plan for an international coffee agreement. p. A3865

25. LEGISLATION. Rep. McCormack inserted a statement showing the status of legislation in comparable periods of the 2nd Session of the 83rd and 84th Congresses. p. A3866

26. FLOOD CONTROL. Rep. Utt inserted a newspaper editorial challenging certain statements on the responsibility for delay in the construction of the Oroville Dam, Calif. p. A 3875

Rep. Henderson inserted a magazine article commenting on the need to increase flood control measures and provide greater conservation of our water resources. p. A3876

27. CREDIT UNIONS. Rep. Patman inserted a letter criticizing the proposal for a share-deposit insurance for credit unions. p. A3886

Rep. Patman inserted a statement by H. B. Yates, Credit Union National Association, Inc., explaining the function of the credit union as a leading agency and criticizing the proposed transfer of the Bureau of Federal Credit Unions from HEW. p. A3888

control accomplishments of the multiple-purpose Oroville Dam proposed to be constructed on the Feather River by the State of California. Witnesses heard on both projects were Representatives Engle, Moss; Gov. Goodwin Knight; Harvey O. Banks, State engineer, State of California; Norris Poulson, mayor, Los Angeles, Calif.; testifying on H. R. 8677 were R. A. Leonard, president, Feather River project, Oroville, Calif.; Howard Harter, representing Yuba City, Calif.; Gavin Mandery, councilman, Marysville, Calif.; Charles Randolph, Butte County Water Resource Commission; Stanley Pittman, city councilman, Oroville, Calif.; Eber Beilby, chairman, board of supervisors, Sutter County, Calif.; Harold Sperbeck, chairman, Yuba County Board of Supervisors; Grover Shannon, Yuba City, member of State recreation board; testifying on the Sacramento River project were Earl Lindauer, rancher, Los Molinos, Calif.; and Jack Bower, Chico, Calif.

VETERANS' PENSIONS

Committee on Veterans' Affairs: Met on Friday and heard Omar Ketchum, legislative representative, VFW, on the recommendations of the Presidential Commission on Veterans' Pensions (Bradley Commission).

EXCISE TAX RECOMMENDATIONS

Committee on Ways and Means: Announcement was made that the committee had reached tentative decisions on the recommendations of the Subcommittee on Excise Tax Technical and Administrative Problems concerning taxes on admissions and club dues, transportation, communications, and documentary stamps. The committee will resume its considerations on Wednesday.

Joint Committee Meetings

SUGAR

Conferees, on Saturday, May 12 in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 7030, to amend and extend the Sugar Act of 1948, following which the below-listed explanatory statement was issued:

There were three main points of difference between the House and Senate bills, namely, the length of the extension, the percentage of increased demand in the United States allocated to

foreign and to domestic producers, and the division of the foreign shares among the producing countries.

1. The Senate conferees receded on the length of the extension and adopted the 4-year period in the House bill rather than the 6 years as passed by the Senate.

2. The House conferees receded on the percentage allocated to foreign and domestic producers and adopted the Senate formula of 55 percent of the increase to domestic producers and 45 percent to foreign suppliers. The House bill would have divided the increase 50 percent to each.

3. A compromise was worked out on the share allocated to each foreign supplier on the basis of percentage of total sugar shipments to the United States by Cuba and all the full-duty countries. The following table compares House and Senate bills and shows the compromise agreed upon by the conferees.

Comparison of percentages of total quantities of sugar to be supplied by Cuba plus all full-duty countries

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Other.....	1.1	1.0	1.0
Total.....	100.0	100.0	100.0

APPROPRIATIONS—SUPPLEMENTAL

Conferees, in executive session on Friday, May 11, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 10004, second supplemental appropriations for 1956.

LIBRARY, MEMORIAL, AND EASEMENT

Joint Committee on the Library: Committee, in executive session, received a report from L. Quincy Mumford, Librarian of Congress, and Verner W. Clapp, Chief Assistant Librarian. The committee approved the design and specifications for expansion of the First Division Memorial on State Place, Washington, D. C., according to law and in honor of the World War II dead of that division. Also, the committee gave Potomac Electric Power Co. an easement to construct underground cable across the Botanical Gardens property.

BILLS SIGNED BY THE PRESIDENT

New Laws

(For last listing of public laws, see DIGEST, p. D464)

H. R. 1603, to terminate the prohibition against employment of Mongolian labor in the construction of reclamation projects. Signed May 10, 1956 (P. L. 517).

H. R. 4791, increasing salaries for part-time and full-time referees in bankruptcy. Signed May 10, 1956 (P. L. 518).

H. R. 7952, to require the inspection and certification of certain mechanically propelled vessels carrying passengers. Signed May 10, 1956 (P. L. 519).

COMMITTEE MEETINGS FOR TUESDAY, MAY 15

(All meetings are open unless otherwise designated)

Senate

Committee on Appropriations, subcommittee, on H. R. 10986, Defense appropriations, to hear Air Force Secretary Quarles, 10

a. m., 412 Senate Office Building; subcommittee, on H. R. 10899, Commerce appropriations, with outside witnesses, 10 a. m., room F-82, Capitol; subcommittee, on H. R. 10721, State, Justice, and Judiciary, to hear Secretary of State Dulles, 2 p. m., room F-39, Capitol.

Committee on Foreign Relations, on S. J. Res. 165, approving the relinquishment of the consular jurisdiction of the U. S. in Morocco, followed by executive on mutual security program, 10:30 a. m., room F-53, Capitol; executive, to hear AEC Chairman Lewis Strauss on mutual security program, 2:30 p. m., room F-53, Capitol.

Committee on Interior and Insular Affairs, executive, on committee business, 10 a. m., 224 Senate Office Building.

Committee on Interstate and Foreign Commerce, on TV network practices, 10 a. m., room G-16, Capitol; to continue on nomination of Charles J. Lowen to be member of CAA, 10 a. m., 324 Senate Office Building.

Committee on the Judiciary, Internal Security Subcommittee, on scope of Soviet activities in U. S., 10:45 a. m., 424 Senate Office Building.

Committee on Labor and Public Welfare, Labor Subcommittee, on minimum wage coverage and exemptions, with Secretary Mitchell, 10 a. m., room P-63, Capitol; Veterans' Subcommittee, on H. R. 9824 and S. 3431, War Orphans Educational Assistance Act, 10 a. m., room P-38, Capitol.

Committee on Post Office and Civil Service, on S. 3593, respecting recognition of organizations of postal and Federal employees, 10 a. m., 318 Senate Office Building.

House

Committee on Agriculture, Subcommittee on Cotton on H. R. 9333, to give certain consuming processors of cotton the privilege of buying cotton futures contracts in certain instances, 10 a. m., 1310 New House Office Building.

Committee on Armed Services, the full committee on H. R. 10835, to transfer the operation of the Continental Air Command from Mitchell Air Force Base to Sampson Air Force Base, a report of the Subcommittee on Real Estate, Point Barrow gas supply, and an Army briefing on Capehart housing, 10 a. m., 313-A Old House Office Building.

Committee on Banking and Currency, on H. R. 11132, to increase the borrowing power of the Commodity Credit Corporation, to be followed by an executive session on the same bill, 10 a. m., 1301 New House Office Building.

Committee on Foreign Affairs, executive session to mark up H. R. 10082, extending the Mutual Security Program, 10:30 a. m., G-3 Capitol Building.

Committee on Government Operations, Subcommittee on Military Operations to hear Val Peterson, Civil Defense Administrator, 10 a. m., 1501 New House Office Building.

Subcommittee on Executive and Legislative Reorganization will hear representatives of Justice and Agriculture Departments on employment of experts and consultants in Federal agencies, 10 a. m., 1537 New House Office Building.

Committee on Interior and Insular Affairs, on pending bills, 10:30 a. m., 1324 New House Office Building.

Committee on Interstate and Foreign Commerce, executive session to consider pending bills, 10 a. m., 1324 New House Office Building.

Committee on the Judiciary, regular meeting day, executive, 10 a. m., 346 Old House Office Building.

Committee on Post Office and Civil Service, executive session of full committee on H. R. 9228, to readjust postal rates, 10 a. m., 213 Old House Office Building.

Committee on Public Works, Subcommittee on Flood Control on omnibus bill relating to flood-control projects, 10 a. m., 1304 New House Office Building.

Committee on Rules, at 1:30 p. m., room G-12, Capitol, to consider granting of rules for the consideration of—

H. R. 9852, to extend Defense Production Act of 1950, as amended.

H. R. 9052, to extend Export Control Act of 1949.

H. R. 10542, to liberalize certain criteria for determining eligibility of widows for benefits.

H. Con. Res. 227, providing for reading Declaration of Independence before joint session each July 4.

S. Con. Res. 36, requiring conference reports to be accompanied by statements signed by majority of managers of each House.

Joint Committees

Joint Committee on Atomic Energy, to begin hearings on proposed legislation to provide Government indemnity against nuclear powerplant hazards (committee has asked representatives of private industry to testify as to what roadblocks stand in the way of development of nuclear power by private enterprise), 10 a. m. and 2 p. m., 362 Old House Office Building.

Joint Committee on Defense Production, executive, to hear ODM Director Arthur Flemming and Commerce Secretary Weeks on nickel supply and programs for expansion, 2 p. m., room P-38, Capitol.

Conferees, executive, on H. R. 7247, railroad reorganization, 10 a. m., 312 Senate Office Building.

Conferees, executive, on H. R. 5265, foreign travel tax, 10 a. m., 312 Senate Office Building.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

May 17, 1956
May 16, 1956
84th-2nd, No. 80

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HIGHLIGHTS: Senate made farm bill its unfinished business. Both Houses agreed to conference report and cleared for President second supplemental appropriation bill. Senate subcommittee ordered USDA appropriation bill reported to full committee. House received conference report on sugar bill. House received proposed supplemental estimates for 1957 fiscal year, including amounts for certain USDA agencies. Rep. Dodd introduced and discussed bill to require compulsory poultry inspection by USDA

SENATE

1. FARM PROGRAM. Made H. R. 10875, the farm bill, its unfinished business to be debated today. p. 7405
Sens. Schoeppel, Aiken, Fulbright (for himself and Sen. McClellan), Smith, and Hickenlooper submitted amendments intended to be proposed to the bill. p. 7361
2. APPROPRIATIONS. The Appropriations subcommittee completed its markup of H. R. 11177, the USDA appropriation bill for 1957, and ordered it reported with amendments to the full Committee. p. D482
3. SURPLUS FOODS. The Finance Committee announced that during consideration of H. R. 7225, relating to social security amendments, the "food stamp plan amendment, introduced by Sen. Kerr, was voted down by the committee. It would provide food stamps for the distribution of surplus foods and fibers to families on public assistance in the amount of \$10 per month." p. D482
4. ROADS. Majority Leader Johnson announced that H. R. 10660, the road bill, may be taken up next week. p. 7406

5. ELECTRIFICATION. Passed with amendments S. 1823, to authorize the construction of works of improvement in the Niagara River for power and other purposes. pp. 7365, 7393
6. WATER RESOURCES. Sen. Watkins inserted and commented on two magazine articles and a letter supporting efforts for water resource development in the West. p. 7406
7. FOREIGN AFFAIRS. Sen. Martin inserted a statement by the U. S. representative to the U. N. Economic and Social Council on the contributions of the International Bank to the economic growth of other nations, including the stimulation of agricultural production in Mexico. p. 7363
8. RECLAMATION. Agreed to the conference report on H. R. 6268, to provide for the use of appropriated funds by the Secretary of Interior in contracts for the construction of drainage works and other minor items on Federal reclamation projects. p. 7365
The Interior and Insular Affairs Committee reported without amendment S. 3101, authorizing the construction of the Crooked River reclamation project in Ore., (S. Rept. 2007); and H. R. 1779, authorizing the construction, operation and maintenance of the Juniper division of the Vapinitia reclamation project in Ore., (S. Rept. 2008). p. 7356
9. DAIRY MONTH. Sen. Wiley commented on an inserted a newspaper article on the intensive plans being made in Wis. for the celebration of June, Dairy Month. p. 7309, 5-15-56.

HOUSE

10. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 10004, the supplemental appropriation for 1956 (pp. 7395, 7419). The conference report was agreed to, in the House, by a vote of 134 to 10 (p. 7429). This bill is now ready for the President.
Received from the President supplemental appropriation estimates for fiscal year 1957 (H. Doc. 403). This document includes the following items for this Department: Salaries and expenses, Agricultural Research Service, Plant and animal disease and pest control, \$1,000,000 to provide for additional cooperation with Florida in eradicating the newly found infestation of the Mediterranean fruit fly, and for accelerating the eradication program of the burrowing nematode; Sugar Act Program, Commodity Stabilization Service, \$189,000 increase in administrative-expense limitation (no additional appropriation required) contingent upon enactment of H. R. 7030; and Federal Crop Insurance Corporation, \$13,000,000 to enable the Secretary of the Treasury to subscribe and pay for capital stock of the Corporation in order to provide adequate working capital; to the Appropriation Committee. p. 7467
11. SUGAR. Received the conference report on H. R. 7030, to amend and extend the Sugar Act of 1948 (H. Rept. 2174). pp. 7417, ~~7468~~ (See Digest 78 for provisions.)
12. ELECTRIFICATION. Rep. Price commended Speaker Rayburn for his support of REA through the years, and offered congratulations on the 20th birthday of REA. p. 7416

EXTENSION OF SUGAR ACT OF 1948

MAY 16, 1956.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 7030]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That section 101 (d) of the Sugar Act of 1948, as amended, is amended to read as follows:*

“(d) The term ‘raw sugar’ means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar.”

SEC. 2. Section 101 (e) of such Act is amended to read as follows:

“(e) The term ‘direct-consumption sugar’ means any sugars principally of crystalline structure and any liquid sugar (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality.”

SEC. 3. Section 101 (i) of such Act is amended by deleting the parenthetical word “(Clerget)”.

SEC. 4. Section 101 of such Act is amended by adding at the end thereof a new paragraph to read as follows:

“(n) The term ‘to be further refined or improved in quality’ means to be subjected substantially to the processes of (1) affination or defecation, (2) clarification, and (3) further purification by adsorption or crystallization. The Secretary is authorized, after such hearing and upon such notice as he may by regulations prescribe, to determine whether specific

processes to which sugars are subjected are sufficient to meet the requirements of this paragraph (n) and whether sugars of specific qualities are raw sugar within the meaning of paragraph (d) of this section, or direct-consumption sugar within the meaning of paragraph (e) of this section."

SEC. 5. Section 201 of such Act is amended by striking in the second sentence thereof the words "1947 prior to the termination of price control of sugar" and inserting in lieu thereof "1947-1949".

SEC. 6. Section 202 (a) of such Act is amended to read as follows:

"(a) (1) For domestic sugar-producing areas by apportioning among such areas four million four hundred and forty-four thousand short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar-----	1,800,000
Mainland cane sugar-----	500,000
Hawaii-----	1,052,000
Puerto Rico-----	1,080,000
Virgin Islands-----	12,000

"(2) To the above total of four million four hundred forty-four thousand short tons, raw value, there shall be added an amount equal to 55 per centum of the amount by which the Secretary's determination of requirements of consumers in the continental United States for the calendar year exceeds eight million three hundred and fifty thousand short tons, raw value. Such additional amount shall be apportioned among and added to the quotas established under paragraph (1) of this subsection for such domestic sugar-producing areas, respectively, as follows: (A) The first one hundred sixty-five thousand short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 51.5 per centum to the domestic beet sugar area and 48.5 per centum to the mainland cane sugar area; (B) the next twenty thousand short tons, raw value, or any part thereof, by which such quotas are so increased shall be apportioned to Puerto Rico; (C) the next three thousand short tons, raw value, or any part thereof, by which such quotas are so increased shall be apportioned to the Virgin Islands; (D) any additional amount shall be apportioned on the basis of the quotas established in paragraph (1) of this subsection as adjusted by subparagraphs (A), (B), and (C) of this paragraph (2)."

SEC. 7. Section 202 (c) of such Act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:

"(2) For the calendar year 1957 and for each subsequent calendar year, for foreign countries other than the Republic of the Philippines, (A) by prorating to Cuba 96 per centum and to other foreign countries 4 per centum of the amount of sugar, raw value, by which eight million three hundred and fifty thousand short tons, raw value, or such lesser amount as determined pursuant to section 201 exceeds the sum of four million four hundred and forty-four thousand short tons, raw value, and the quota established pursuant to subsection (b) of this section; and (B) by prorating 45 per centum of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of eight million three hundred and fifty thousand short tons, raw value, as follows:

Country	Per centum
Cuba.....	29. 59
Peru.....	4. 33
Dominican Republic.....	4. 95
Mexico.....	5. 10
Other countries.....	1. 03
	45. 00

The above proration of 1.03 per centum to foreign countries other than Cuba, the Republic of the Philippines, Peru, the Dominican Republic, and Mexico shall be apportioned to such other countries whose average entries within the quotas during 1953 and 1954 exceeded one thousand short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

“(3) For the calendar year 1957 and for each subsequent calendar year, the proration of 4 per centum under paragraph (2) (A) of this subsection for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than one thousand short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954; second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than one thousand nor more than two thousand short tons, raw value, a proration of three thousand short tons, raw value; third, by assigning to each foreign country whose average entries within the quotas during 1953 and 1954 were more than two thousand and less than three thousand short tons, raw value, a proration equal to the average entries from each such country within the quotas during 1953 and 1954, plus two thousand short tons, raw value; fourth, by assigning to each foreign country whose average entries within the quotas during 1953 and 1954 were not less than three thousand nor more than ten thousand short tons, raw value, a proration equal to the average entries from each such country within the quotas during 1953 and 1954; and, fifth, by prorating the balance of such proration to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded ten thousand short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.”

SEC. 8. Section 202 of such Act is amended by adding the following new subsection:

“(e) Whenever in any year any foreign country with a quota or proration thereof of more than ten thousand short tons fails to fill such quota or proration by more than 10 per centum and at any time during such year the world price of sugar exceeds the domestic price, the quota or proration thereof for such country for subsequent years shall be reduced by an amount equal to the amount by which such country failed to fill its quota or proration thereof, unless the Secretary finds that such failure was due to crop disaster or force majeure or finds that such reduction would be contrary to the objectives of this Act. Any reduction hereunder shall be prorated in the same manner as deficits are prorated under section 204.”

SEC. 9. (a) The second sentence of section 204 (a) of such Act is amended by inserting before the period at the end thereof a colon and the following: “Provided, That any deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota

for such area allotted under the provisions of section 202 (a) (2) shall first be prorated to other domestic areas on the basis of the quotas then in effect".

(b) The last paragraph of section 204 (a) of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "except that in the case of proration of any such deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under and by reason of section 202 (a) (2), the Secretary shall apportion the unfilled amount on such basis and to such other domestic areas as he determines is required to fill such deficit, and if he finds that no domestic area will be able to supply such unfilled amount, he shall add it to the quota for Cuba".

SEC. 10. Section 205 (a) of such Act is amended by inserting immediately before the final sentence thereof the following: "In making such allotments, the Secretary may also take into consideration and make due allowance for the adverse effect of drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions seriously and broadly affecting any general area served by the factory or factories of such person."

SEC. 11. (a) Section 207 (a) of such Act is amended by adding after the word "year" the following: ", plus an amount equal to the same percentage of twenty-nine thousand six hundred and sixteen short tons, raw value, that the increase in the quota for Hawaii under section 202 is of one million fifty-two thousand short tons, raw value,".

(b) Section 207 (b) of such Act is amended by striking the period at the end thereof and by adding the following: "which shall be principally of crystalline structure, plus an amount equal to the same percentage of one hundred twenty-six thousand and thirty-three short tons, raw value, that the increase in the quota for Puerto Rico under section 202 is of one million eighty thousand short tons, raw value, which latter amount may be filled by direct-consumption sugar whether or not principally of crystalline structure."

SEC. 12. Section 207 (h) of such Act is amended by striking out "The" after "(h)" and inserting in lieu thereof "(1) For the calendar year 1956, the" and by adding the following new paragraph:

"(2) For the calendar year 1957 and each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: Provided, That such limitation shall not apply to countries receiving prorations under section 202 (c) of seven thousand short tons or less. The direct-consumption portion of such quota which is subject to the 1.36 per centum limitation referred to above shall be prorated to countries which receive prorations under section 202 (c) of more than seven thousand short tons on the basis of average imports of direct-consumption sugar within the quota for the years 1951, 1952, 1953, and 1954."

SEC. 13. Section 301 (b) of such Act is amended by inserting after the words "(or processed)" the following: ", except for livestock feed, or for the production of livestock feed, as determined by the Secretary,".

SEC. 14. Section 302 (b) of such Act is amended by inserting after "(or processed)" the words "within the proportionate share" and by striking the period at the end thereof and inserting the following: "and of the producers in any local producing area whose past production has

been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions. For the purposes of establishing proportionate shares hereunder and in order to encourage wise use of land resources, foster greater diversification of agricultural production, and promote the conservation of soil and water resources in Puerto Rico, the Secretary, on application of any owner of a farm in Puerto Rico, is hereby authorized, whenever he determines it to be in the public interest and to facilitate the sale or rental of land for other productive purposes, to transfer the sugarcane production record for any parcel or parcels of land in Puerto Rico owned by the applicant to any other parcel or parcels of land owned by such applicant in Puerto Rico."

SEC. 15. Section 405 of such Act is amended by inserting "(a)" at the beginning thereof, by striking out "(a)" and "(b)" and inserting in lieu thereof "(1)" and "(2)", respectively, and by adding the following new subsection:

"(b) Any person whose sugar processing operations otherwise meet the requirements of section 101 (n) and who subjects to such processes sugar imported or brought into the continental United States under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality, shall forfeit to the United States a sum equal to 1 cent per pound for each pound, raw value, of such sugar in excess of that part of the direct-consumption portion of the applicable quota or proration or allotment thereof remaining unfilled at the time of such determination, which forfeiture shall be recoverable in a civil suit brought in the name of the United States."

SEC. 16. Section 407 of such Act is amended by adding at the end thereof the following sentence: "The provisions of this section shall not apply to persons whose services are obtained pursuant to section 305."

SEC. 17. Section 411 of such Act is renumbered as section 412, section 412 of such Act is renumbered as section 413, and a new section 411 inserted as follows:

"SEC. 411. The Secretary is authorized to issue such regulations as may be necessary to carry out article 7 of the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the United States Senate on April 29, 1954), restricting importations of sugar into the United States from foreign countries not participating in such agreement, or to carry out the corresponding provisions of any such future agreements ratified by and with the advice and consent of the United States Senate."

SEC. 18. Renumbered section 412 of such Act (relating to termination of the powers of the Secretary under the Act) is amended by striking out "1956" in each place it appears therein and inserting in lieu thereof "1960".

SEC. 19. Sections 4501 (c) and 6412 (d) (relating to the termination of taxes on sugar) of the Internal Revenue Code of 1954 are amended by striking out "1957" in each place it appears therein and inserting in lieu thereof "1961".

SEC. 20. Section 4502 (4), chapter 37, subchapter A, "Sugar", of the Internal Revenue Code of 1954 is amended as follows: Strike out the parenthetical word "(Clerget)" where it occurs in the first sentence and delete the second sentence thereof.

SEC. 21. (a) Section 4504, chapter 37, Subchapter A, "Sugar", of the Internal Revenue Code of 1954 is amended by adding before the period at

the end thereof the following: “, and except that such tax may be subject to refunds as a tax under the provisions of section 6418 (a)”.

(b) Section 6418 (a) of chapter 65 of the Internal Revenue Code of 1954 is amended by striking out the “(a)” immediately following “section 4501”.

SEC. 22. Except as otherwise provided, the amendments made hereby shall become effective as of January 1, 1956, except that sections 1 through 4 shall become effective upon publication in the Federal Register of regulations implementing such sections, or six months after the date of enactment of this Act, whichever is earlier.

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
T. G. ABERNETHY,
CLIFFORD R. HOPE
AUG. H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

HARRY FLOOD BYRD,
WALTER F. GEORGE,
ROBT. S. KERR,
E. D. MILLIKIN,
WALLACE F. BENNETT,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House bill and substituted new language which was in many respects identical with that adopted by the House and differed from the House provisions on only four major points: (1) the length of the extension of the Sugar Act, (2) the proportion of the increased demand in the United States allocated to foreign and to domestic producers, (3) the manner in which the domestic share of this increase is to be distributed among various domestic producing areas, and (4) the division of the foreign share of the growth in consumption among the producing countries. Following is the manner in which these major differences were resolved by the committee of conference:

(1) The Senate conferees receded on the length of the extension of the act and agreed to the 4-year period in the House bill rather than the 6-year extension passed by the Senate.

(2) The House conferees receded on the division of the increase in consumption between domestic and foreign producing areas and adopted the Senate provision which will allocate 55 percent of the increase to domestic producers and 45 percent to foreign areas. The House bill would have divided the increase 50 percent to each.

(3) The conferees adopted the Senate formula with respect to the manner in which the first 188,000 tons of increase in domestic quotas are to be allocated among domestic producing areas. Under the provisions of the House bill, the first 188,000 tons of increase in the domestic quota would have been shared between the domestic beet area, the mainland cane area, Puerto Rico, and the Virgin Islands in proportion to their present share in the sugar quota. Under the provisions of the Senate bill, adopted by the conferees, the first 165,000 tons of increase will be divided between the mainland beet and cane areas—51.5 percent to the domestic beet area and 48.5 percent to the mainland cane area. The next 20,000 tons of increase will be apportioned to Puerto Rico, and the next 3,000 tons of increase to the Virgin Islands. Thereafter, any further increases in domestic quotas will be shared proportionately among all the domestic producing areas, including Hawaii.

(4) With respect to the division among foreign suppliers of the 45 percent of the increase in consumption which will be allocated to foreign countries, a compromise was worked out which was substantially halfway between the maximum and minimum quantities allocated to the countries in the two bills. The following table summarizes the provisions of the House and Senate bills and the conference compromise on the basis of the percentage of the total foreign quota

which will be supplied by the major foreign producing areas during the 4-year life of the bill, assuming an increase in consumption of 135,000 tons per year.

	House bill	Senate bill	Conference agreement
Cuba.....	92.4	94.4	93.75
Mexico.....	1.4	1.2	1.2
Peru.....	2.5	2.2	2.3
Dominican Republic.....	2.6	1.2	1.75
Other.....	1.1	1.0	1.0
Total.....	100.0	100.0	100.0

In terms of shares in the annual increase in consumption, the 45 percent of that increase which will be assigned to foreign countries will be divided as follows: Cuba, 29.59 percent; Peru, 4.33 percent; Dominican Republic, 4.95 percent; Mexico, 5.10 percent; other foreign countries, 1.03 percent.

The following table is a projection of the formula contained in the bill for the 4-year period covered by the bill, and shows the annual quotas and the cumulative total for foreign countries on the basis of the assumed increase in consumption of 135,000 tons per year.

Quotas under Sugar Act of 1948, as amended in 1956¹

[Short tons, raw value]

	1956	1957	1958	1959	1960	Total 1957-60
Assumed requirements.....	8,535,000	8,670,000	8,805,000	8,940,000	9,075,000	35,490,000
Total domestic areas.....	4,545,750	4,620,000	4,694,250	4,768,500	4,842,750	18,925,500
Total foreign areas.....	3,989,250	4,050,000	4,110,750	4,171,500	4,232,250	16,564,500
Philippines.....	980,000	980,000	980,000	980,000	980,000	3,920,000
Total Cuba and full-duty countries.....	3,009,250	3,070,000	3,130,750	3,191,500	3,252,250	12,644,500
Cuba.....	2,888,880	2,903,648	2,943,594	2,983,541	3,023,488	11,854,271
Full-duty countries.....	120,370	166,352	187,156	207,959	228,762	790,229
Peru.....	56,224	63,919	69,765	75,610	81,455	290,749
Mexico.....	12,394	27,579	34,464	41,349	48,234	151,626
Dominican Republic.....	29,892	45,320	52,002	58,685	65,367	221,374
Other countries.....	21,860	29,534	30,925	32,315	33,706	126,480
Nicaragua.....	8,472	9,837	10,613	11,387	12,162	43,999
Haiti.....	2,892	5,489	5,771	6,053	6,335	23,648
Costa Rica.....	² (1,084)	3,188	3,267	3,347	3,426	13,228
Formosa.....	² (1,114)	3,190	3,270	3,350	3,431	13,241
Netherlands.....	² (1,123)	3,223	3,317	3,411	3,504	13,455
Panama.....	² (1,114)	3,190	3,270	3,350	3,431	13,241
Belgium.....	² (182)	182	182	182	182	728
British Guiana.....	² (85)	85	85	85	85	340
Canada.....	² (631)	631	631	631	631	2,524
Hong Kong.....	² (3)	3	3	3	3	12
United Kingdom.....	² (516)	516	516	516	516	2,064
El Salvador ³	4,478					

¹ 1955 requirements of 8,400,000 tons plus annual increments of 135,000 tons.

Average 1953-54 charges shown for countries which do not have specific prorations in 1956.

² No charges against quotas since 1949.

In agreeing to the Senate provisions with respect to the method of distributing among domestic areas the first 188,000 tons of quota increase provided by the bill, the House conferees were motivated primarily by the urgent need of producers in the mainland cane and beet area for relief from the curtailment in production which has been required of them in the past 2 years. Although the bill does not direct the manner in which this first increase in domestic quotas

is to be apportioned among producers, it is assumed that the Department of Agriculture will utilize these first quota increases insofar as practicable to relieve the distress of producers in these domestic areas.

Since enactment of the last previous extension of the Sugar Act, the Commonwealth of Puerto Rico and the Congress have adopted respectively the Constitution of the Commonwealth and the Puerto Rican Federal Relations Act. The committee of conference points out that section 9 of such act may be inconsistent with the proper operation of the sugar program in Puerto Rico and suggests that the Puerto Rico Legislature consider prompt action to resolve this possible conflict.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
T. G. ABERNETHY,
CLIFFORD R. HOPE,
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Managers on the Part of the House.



Marine and Fisheries spent several days in the Los Angeles harbor area. The purpose of the visit was to observe conditions and have hearings with regard to the handling of cargoes over the docks in that area. An opportunity was given for all concerned to express their views with regard to both the existing conditions and the possibilities of improvement.

A day or so ago an informal report was made to several of us concerning actions which followed. It appears that the labor organizations working with the representatives of management formulated plans and carried them to fruition with the result that a great improvement, both in the productivity of the labor involved and the relationship between the various interests involved, came about. The visit of the subcommittee engendered a high regard for its membership and for the fair and impartial approach which it made to the problem it sought to understand.

While talking concerning the informal report which was made, the necessity for early enactment of H. R. 10765 which seeks to amend the Longshoremen's and Harbor Workers' Compensation Act was mentioned. This Compensation Act became law in 1927 and was last amended in 1948. It is supposed to fix compensation for injured workmen and to dependents of deceased workers in amounts proportionate to current earnings. The current weekly compensation payments are far below the amounts required to meet the formula by which the benefits were expected to be fixed.

I hope that parliamentary difficulties can be solved and that early action on the bill can be had looking toward its enactment into law.

RE-REFERENCE OF BILL

Mr. CURTIS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of the bill H. R. 10890, and that the same be re-referred to the Committee on the Judiciary. I have cleared this with the chairman of both committees.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING THE SUGAR ACT OF 1948

Mr. POAGE. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report on the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2174)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, having met, after full and free conference,

have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 101 (d) of the Sugar Act of 1948, as amended, is amended to read as follows:

"(d) The term 'raw sugar' means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar."

"Sec. 2. Section 101 (e) of such act is amended to read as follows:

"(e) The term 'direct-consumption sugar' means any sugars principally of crystalline structure and any liquid sugar (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality."

"Sec. 3. Section 101 (i) of such Act is amended by deleting the parenthetical word '(Clerget)'."

"Sec. 4. Section 101 of such Act is amended by adding at the end thereof a new paragraph to read as follows:

"(n) The term 'to be further refined or improved in quality' means to be subjected substantially to the processes of (1) affination or defecation, (2) clarification, and (3) further purification by adsorption or crystallization. The Secretary is authorized, after such hearing and upon such notice as he may by regulations prescribe, to determine whether specific processes to which sugars are subjected are sufficient to meet the requirements of this paragraph (n) and whether sugars of specific qualities are raw sugar within the meaning of paragraph (d) of this section, or direct-consumption sugar within the meaning of paragraph (e) of this section."

"Sec. 5. Section 201 of such Act is amended by striking in the second sentence thereof the words '1947 prior to the termination of price control of sugar' and inserting in lieu thereof '1947-1949'."

"Sec. 6. Section 202 (a) of such Act is amended to read as follows:

"(a) (1) For domestic sugar-producing areas by apportioning among such areas four million four hundred and forty-four thousand short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar.....	1,800,000
Mainland cane sugar.....	500,000
Hawaii.....	1,052,000
Puerto Rico.....	1,080,000
Virgin Islands.....	12,000

"(2) To the above total of four million four hundred forty-four thousand short tons, raw value, there shall be added an amount equal to 55 per centum of the amount by which the Secretary's determination of requirements of consumers in the continental United States for the calendar year exceeds eight million three hundred and fifty thousand short tons, raw value. Such additional amounts shall be apportioned among and added to the quotas established under paragraph (1) of this subsection for such domestic sugar-producing areas, respectively, as follows: (A) The first one hundred sixty-five thousand short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 51.5 per centum to the domestic beet sugar area and 48.5 per centum to the mainland cane sugar area; (B) the next twenty thousand short tons, raw value, or any part thereof, by which such quotas are so increased shall be apportioned to Puerto Rico; (C) the next three thousand short tons, raw value, or any part thereof, by

which such quotas are so increased shall be apportioned to the Virgin Islands; (D) any additional amount shall be apportioned on the basis of the quotas established in paragraph (1) of this subsection as adjusted by subparagraphs (A), (B), and (C), of this paragraph (2)."

"Sec. 7. Section 202 (c) of such Act is amended by striking out 'For' after '(c)' and inserting in lieu thereof '(1) For the calendar year 1956, for' and by adding at the end thereof the following new paragraphs:

"(2) For the calendar year 1957 and for each subsequent calendar year, for foreign countries other than the Republic of the Philippines, (A) by prorating to Cuba 96 per centum and to other foreign countries 4 per centum of the amount of sugar, raw value, by which eight million three hundred and fifty thousand short tons, raw value, or such lesser amount as determined pursuant to section 201 exceeds the sum of four million four hundred and forty-four thousand short tons, raw value, and the quota established pursuant to subsection (b) of this section; and (B) by prorating 45 per centum of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of eight million three hundred and fifty thousand short tons, raw value, as follows:

Country	Per centum
Cuba	29.59
Peru	4.33
Dominican Republic	4.95
Mexico	5.10
Other countries.....	1.03
	45.00

The above proration of 1.03 per centum to foreign countries other than Cuba, the Republic of the Philippines, Peru, the Dominican Republic, and Mexico shall be apportioned to such other countries whose average entries within the quotas during 1953 and 1954 exceeded one thousand short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

"(3) For the calendar year 1957 and for each subsequent calendar year, the proration of 4 per centum under paragraph (2) (A) of this subsection for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than one thousand short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954; second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than one thousand nor more than two thousand short tons, raw value, a proration of three thousand short tons, raw value; third, by assigning to each foreign country whose average entries within the quotas during 1953 and 1954 were more than two thousand and less than three thousand short tons, raw value, a proration equal to the average entries from each such country within the quotas during 1953 and 1954, plus two thousand short tons, raw value; fourth, by assigning to each foreign country whose average entries within the quotas during 1953 and 1954 were not less than three thousand nor more than ten thousand short tons, raw value, a proration equal to the average entries from each such country within the quotas during 1953 and 1954; and, fifth, by prorating the balance of such proration to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded ten thousand short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954."

"Sec. 8. Section 202 of such Act is amended by adding the following new subsection:

"(e) Whenever in any year any foreign country with a quota or proration thereof of more than ten thousand short tons fails to fill such quota or proration by more than 10 per centum and at any time during such year the world price of sugar exceeds the domestic price, the quota or proration thereof for such country for subsequent years shall be reduced by an amount equal to the amount by which such country failed to fill its quota or proration thereof, unless the Secretary finds that such failure was due to crop disaster or force majeure or finds that such reduction would be contrary to the objectives of this Act. Any reduction hereunder shall be prorated in the same manner as deficits are prorated under section 204."

"Sec. 9. (a) The second sentence of section 204 (a) of such Act is amended by inserting before the period at the end thereof a colon and the following: 'Provided, That any deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under the provisions of section 202 (a) (2) shall first be prorated to other domestic areas on the basis of the quotas then in effect'."

"(b) The last paragraph of section 204 (a) of such Act is amended by inserting before the period at the end thereof a semicolon and the following: 'except that in the case of proration of any such deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under and by reason of section 202 (a) (2), the Secretary shall apportion the unfilled amount on such basis and to such other domestic areas as he determines is required to fill such deficit, and if he finds that no domestic area will be able to supply such unfilled amount, he shall add it to the quota for Cuba'."

"Sec. 10. Section 205 (a) of such Act is amended by inserting immediately before the final sentence thereof the following: 'In making such allotments, the Secretary may also take into consideration and make due allowance for the adverse effect of drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions seriously and broadly affecting any general area served by the factory or factories of such person.'"

"Sec. 11. (a) Section 207 (a) of such Act is amended by adding after the word 'year' the following: ', plus an amount equal to the same percentage of twenty-nine thousand six hundred and sixteen short tons, raw value, that the increase in the quota for Hawaii under section 202 is of one million fifty-two thousand short tons, raw value.'"

"(b) Section 207 (b) of such Act is amended by striking the period at the end thereof and by adding the following: 'which shall be principally of crystalline structure, plus an amount equal to the same percentage of one hundred twenty-six thousand and thirty-three short tons, raw value, that the increase in the quota for Puerto Rico under section 202 is of one million eighty thousand short tons, raw value, which latter amount may be filled by direct-consumption sugar whether or not principally of crystalline structure.'"

"Sec. 12. Section 207 (h) of such Act is amended by striking out 'The' after '(h)' and inserting in lieu thereof '(1) For the calendar year 1956, the' and by adding the following new paragraph:

"(2) For the calendar year 1957 and each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: *Provided*, That such limitation shall not apply to countries receiving prorations under section 202 (c) of seven

thousand short tons or less. The direct-consumption portion of such quota which is subject to the 1.36 per centum limitation referred to above shall be prorated to countries which receive prorations under section 202 (c) of more than seven thousand short tons on the basis of average imports of direct-consumption sugar within the quota for the years 1951, 1952, 1953, and 1954."

"Sec. 13. Section 301 (b) of such Act is amended by inserting after the words '(or processed)' the following: ', except for livestock feed, or for the production of livestock feed, as determined by the Secretary.'"

"Sec. 14. Section 302 (b) of such Act is amended by inserting after '(or processed)' the words 'within the proportionate share' and by striking the period at the end thereof and inserting the following: 'and of the producers in any local producing area whose past production has been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions. For the purposes of establishing proportionate shares hereunder and in order to encourage wise use of land resources, foster greater diversification of agricultural production, and promote the conservation of soil and water resources in Puerto Rico, the Secretary, on application of any owner of a farm in Puerto Rico, is hereby authorized, whenever he determines it to be in the public interest and to facilitate the sale or rental of land for other productive purposes, to transfer the sugarcane production record for any parcel or parcels of land in Puerto Rico owned by the applicant to any other parcel or parcels of land owned by such applicant in Puerto Rico.'"

"Sec. 15. Section 405 of such Act is amended by inserting '(a)' at the beginning thereof, by striking out '(a)' and '(b)' and inserting in lieu thereof '(1)' and '(2)', respectively, and by adding the following new subsection:

"(b) Any person whose sugar processing operations otherwise meet the requirements of section 101 (n) and who subjects to such processes sugar imported or brought into the continental United States under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality, shall forfeit to the United States a sum equal to 1 cent per pound for each pound, raw value, of such sugar in excess of that part of the direct-consumption portion of the applicable quota or proration or allotment thereof remaining unfilled at the time of such determination, which forfeiture shall be recoverable in a civil suit brought in the name of the United States."

"Sec. 16. Section 407 of such Act is amended by adding at the end thereof the following sentence: 'The provisions of this section shall not apply to persons whose services are obtained pursuant to section 305.'"

"Sec. 17. Section 411 of such Act is renumbered as section 412, section 412 of such Act is renumbered as section 413, and a new section 411 inserted as follows:

"Sec. 411. The Secretary is authorized to issue such regulations as may be necessary to carry out article 7 of the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the United States Senate on April 29, 1954), restricting importations of sugar into the United States from foreign countries not participating in such agreement, or to carry out the corresponding provisions of any such future agreements ratified by and with the advice and consent of the United States Senate."

"Sec. 18. Renumbered section 412 of such Act (relating to termination of the powers of the Secretary under the Act) is amended by striking out '1956' in each place it appears therein and inserting in lieu thereof '1960'."

"Sec. 19. Sections 4501 (c) and 6412 (d) (relating to the termination of taxes on sugar) of the Internal Revenue Code of 1954 are amended by striking out '1957' in each place it appears therein and inserting in lieu thereof '1961'."

"Sec. 20. Section 4502 (4), chapter 37, subchapter A, 'Sugar', of the Internal Revenue Code of 1954 is amended as follows: Strike out the parenthetical word '(Clerget)' where it occurs in the first sentence and delete the second sentence thereof."

"Sec. 21. (a) Section 4504, chapter 37, subchapter A, 'Sugar', of the Internal Revenue Code of 1954 is amended by adding before the period at the end thereof the following: ', and except that such tax may be subject to refunds as a tax under the provisions of section 6418 (a)'."

"(b) Section 6418 (a) of chapter 65 of the Internal Revenue Code of 1954 is amended by striking out the '(a)' immediately following 'section 4501'."

"Sec. 22. Except as otherwise provided, the amendments made hereby shall become effective as of January 1, 1956, except that sections 1 through 4 shall become effective upon publication in the Federal Register of regulations implementing such sections, or six months after the date of enactment of this Act, whichever is earlier."

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
T. G. ABERNETHY,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

HARRY FLOOD BYRD,
WALTER F. GEORGE,
ROBT. S. KERR,
E. D. MILLIKIN,
WALLACE F. BENNETT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7030) to amend and extend the Sugar Act of 1943, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House bill and substituted new language which was in many respects identical with that adopted by the House and differed from the House provisions on only four major points: (1) the length of the extension of the Sugar Act, (2) the proportion of the increased demand in the United States allocated to foreign and to domestic producers, (3) the manner in which the domestic share of this increase is to be distributed among various domestic producing areas, and (4) the division of the foreign share of the growth in consumption among the producing countries. Following is the manner in which these major differences were resolved by the committee of conference:

(1) The Senate conferees receded on the length of the extension of the Act and agreed to the four-year period in the House bill rather than the six-year extension passed by the Senate.

(2) The House conferees receded on the division of the increase in consumption between domestic and foreign producing areas and adopted the Senate provision which will allocate 55 percent of the increase to domestic producers and 45 percent to foreign areas. The House bill would have divided the increase 50 percent to each.

(3) The conferees adopted the Senate formula with respect to the manner in which the first 188 thousand tons of increase in

domestic quotas are to be allocated among domestic producing areas. Under the provisions of the House bill, the first 188 thousand tons of increase in the domestic quota would have been shared between the domestic beet area, the mainland cane area, Puerto Rico and the Virgin Islands in proportion to their present share in the sugar quota. Under the provisions of the Senate bill, adopted by the conferees, the first 165 thousand tons of increase will be divided between the mainland beet and cane areas—51.5 percent to the domestic beet area and 48.5 percent to the mainland cane area. The next 20 thousand tons of increase will be apportioned to Puerto Rico, and the next 3,000 tons of increase to the Virgin Islands. Thereafter, any further increases in domestic quotas will be shared proportionately among all the domestic producing areas, including Hawaii.

(4) With respect to the division among foreign suppliers of the 45 percent of the increase in consumption which will be allocated to foreign countries, a compromise was worked out which was substantially half way between the maximum and minimum quantities allocated to the countries in the two bills. The following table summarizes the provisions of the House and Senate bills and the conference compromise on the basis of the percentage of the total foreign quota

which will be supplied by the major foreign producing areas during the four year life of the bill, assuming an increase in consumption of 135 thousand tons per year.

	House bill	Senate bill	Conference agreement
Cuba.....	92.4	94.4	93.75
Mexico.....	1.4	1.2	1.2
Peru.....	2.5	2.2	2.3
Dominican Republic.....	2.6	1.2	1.75
Other.....	1.1	1.0	1.0
Total.....	100.0	100.0	100.0

In terms of shares in the annual increase in consumption, the 45 percent of that increase which will be assigned to foreign countries will be divided as follows: Cuba, 29.59 percent; Peru, 4.33 percent; Dominican Republic, 4.95 percent; Mexico, 5.10 percent; other foreign countries, 1.03 percent.

The following table is a projection of the formula contained in the bill for the 4-year period covered by the bill, and shows the annual quotas and the cumulative total for foreign countries on the basis of the assumed increase in consumption of 135,000 tons per year:

Quotas under Sugar Act of 1948, as amended in 1956¹

[Short tons, raw value]

	1956	1957	1958	1959	1960	Total, 1957-60
Assumed requirements.....	8,535,000	8,670,000	8,805,000	8,940,000	9,075,000	35,490,000
Total, domestic areas.....	4,545,750	4,620,000	4,694,250	4,768,500	4,842,750	18,925,500
Total, foreign areas.....	3,989,250	4,050,000	4,110,750	4,171,500	4,232,250	16,564,500
Philippines.....	980,000	980,000	980,000	980,000	980,000	3,920,000
Total, Cuba and full-duty countries.....	3,009,250	3,070,000	3,130,750	3,191,500	3,252,250	12,644,500
Cuba.....	2,888,880	2,903,648	2,943,594	2,983,541	3,023,488	11,854,271
Full-duty countries.....	120,370	166,352	187,156	207,959	228,762	790,229
Peru.....	56,224	63,919	69,765	75,610	81,455	290,749
Mexico.....	12,394	27,579	34,464	41,349	48,234	151,626
Dominican Republic.....	29,892	45,320	52,002	58,685	65,367	221,374
Other countries.....	21,860	29,534	30,925	32,315	33,706	126,480
Nicaragua.....	8,472	9,837	10,613	11,387	12,162	43,999
Haiti.....	2,892	5,489	5,771	6,053	6,335	23,648
Costa Rica.....	² (1,084)	3,188	3,267	3,347	3,426	13,228
Formosa.....	² (1,114)	3,190	3,270	3,350	3,431	13,241
Netherlands.....	² (1,123)	3,223	3,317	3,411	3,504	13,455
Panama.....	² (1,114)	3,190	3,270	3,350	3,431	13,241
Belgium.....	² (182)	182	182	182	182	728
British Guiana.....	² (85)	85	85	85	85	340
Canada.....	² (631)	631	631	631	631	2,524
Hong Kong.....	² (3)	3	3	3	3	12
United Kingdom.....	² (516)	516	516	516	516	2,064
El Salvador ³	4,478					

¹ 1955 requirements of 8,400,000 tons plus annual increments of 135,000 tons.

² Average 1953-54 charges shown for countries which do not have specific proration in 1956.

³ No charges against quotas since 1949.

In agreeing to the Senate provisions with respect to the method of distributing among domestic areas the first 188,000 tons of quota increase provided by the bill, the House conferees were motivated primarily by the urgent need of producers in the mainland cane and beet area for relief from the curtailment in production which has been required of them in the past 2 years. Although the bill does not direct the manner in which this first increase in domestic quotas is to be apportioned among producers, it is assumed that the Department of Agriculture will utilize these first quota increases insofar as practicable to relieve the distress of producers in these domestic areas.

Since enactment of the last previous extension of the Sugar Act, the Commonwealth of Puerto Rico and the Congress have adopted respectively the Constitution of the Commonwealth and the Puerto Rican Federal Relations Act. The committee of conference points out that Section 9 of such Act may be inconsistent with the proper operation of the sugar program in Puerto Rico and suggests that the Puerto Rico

Legislature consider prompt action to resolve this possible conflict.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
T. G. ABERNETHY,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

RETURN OF CERTAIN LANDS IN THE TERRITORY OF HAWAII

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7186) to provide for the review and determination of claims for the return of lands, in the Territory of Hawaii, conveyed to the Government during World War II by organizations composed of persons of Japanese ancestry, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 5, after line 12, insert:

"(c) If an eminent domain proceeding for the condemnation of the property, or any part thereof, for public use is brought by the Territory or political subdivision within the time so allowed by the court, in such eminent domain proceeding, the property shall be valued and the proceeding shall be heard and determined in all respects as if filed upon the date of the original conveyance and as if an order had been made letting the Government into possession on said date: *Provided*, That at its option, the Territory or political subdivision may bring eminent domain proceeding for condemnation of the property or part thereof required for public use without invoking the preceding provisions of this sentence: *Provided further*, That in the event the Territory or political subdivision shall have discharged encumbrances upon the property for which it is entitled to reimbursement as provided by subsection (e), the same may be made a setoff in any eminent domain proceeding brought for condemnation of the property or part thereof required for public use."

Page 5, line 13, strike out "(c)" and insert "(d)."

Page 5, line 22, strike out "(d)" and insert "(e)."

Page 6, line 4, strike out "(e)" and insert "(f)."

Page 6, line 13, strike out "(f)" and insert "(g)."

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1956

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H. R. 10004) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 11, 1956.)

Mr. CANNON. Mr. Speaker, this is the conference report on the second supplemental appropriation bill, 1956, providing for such deficiencies as usually occur during a session of Congress. Estimates submitted by the Bureau of the Budget aggregated \$835,902,923 and the bill as passed by the House carried \$795,768,823.

The Senate increased the appropriations to the amount of \$838,864,176.

The conference report now before the House recommends a total appropriation of \$852,414,896.

The managers on the part of the House and Senate are in complete agreement on all items in this bill. But there are a number of amendments in technical disagreement which under the rules it is necessary to bring back to the House for consideration.

Mr. Speaker, at this time I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I wish to say a few words about amendment No. 32 on page 24 of the bill before us. In 1948 the following provision was adopted:

None of the power revenues of the Tennessee Valley Authority shall be used for the construction of new power-producing projects (except for replacement purposes) unless and until approved by act of Congress (61 Stat. 577).

In spite of this legislative provision, the TVA, I understand, has made commitments involving \$178 million upon power projects, in violation of the law, to be paid for out of power revenues. With the adoption of this conference report, which I shall vote against, the violation of the law will be supported by the majority report which was brought in by the Appropriations Committee when this bill was considered on the floor. The views of the minority members of the committee were clearly expressed in the minority report which was then presented and which I am going to insert in the RECORD as a part of my remarks at this time:

MINORITY VIEWS

The members of the Subcommittee on Public Works, who sign this minority report, disagree with the action and vote of the majority on the request of the Tennessee Valley Authority for funds with which to build an additional generating unit at the John Sevier plant.

There were 4 possible answers to that request:

(1) To agree, and to appropriate \$3,500,000 in new money, to start construction on this unit. It must be understood this was only the request of the moment. The total needed is \$28 million.

The idea of voting new money to TVA was refused by the subcommittee. The Congress, in the past few years has refused, more than once, to appropriate new money for steam plants or additional units to existing steam plants.

It should be noted that there is still grave doubt, in the minds of able lawyers, and of Members of the Congress, whether there was actually any constitutional authority for the TVA to build steam plants at any time. Since this is a technical legal question, not to be discussed in this minority report, it should definitely be considered by the Congress with the thought of giving authority to take the question to the Supreme Court of the United States. Certainly no more money should be voted to the TVA to build steam plants or additional units, until the question is resolved.

(2) To take the money from its own funds, without further approval by the Congress, and build the additional unit, or any other structures in the future. This was the recommendation of the subcommittee's majority. We disagree. It is the line of reasoning expressed in the opinion rendered to the TVA Directors on September 10, 1955, by the TVA Counsel, Joseph C. Swidler, which, in our opinion, controverts itself. Counsel says, for example:

"This language (meaning sec. 26 of the TVA Act of 1933, as amended) standing alone, is broad enough to authorize use of proceeds for construction of any type of power installations, including steam plants and single-purpose power dams as well as individual generating units and transmission facilities."

The catch words are, of course, "standing alone." The point is that section 26 of the

TVA Act does not "stand alone." It must be read not only with the remainder of the act but also with all other congressional actions (particularly those subsequent to its passage) or limitations thereto.

The citations given by Mr. Swidler, to support his opinion, refer, without exception, to the use of power proceeds by TVA prior to the passage of limitations on such use. We refer particularly to section 104 of the Government Corporations Control Act, which was passed in 1945 and to which a limitation was added in 1948, reading as follows:

"None of the power revenues of the Tennessee Valley Authority shall be used for the construction of new power producing projects (except for replacement purposes) unless and until approved by act of Congress."

Nothing could be clearer, to us, as to the intent of the Congress. However, Counsel for TVA offers this interesting interpretation (says Mr. Swidler):

"In thus prohibiting the use of revenues for construction of 'new power producing projects' without prior congressional approval, Congress clearly intended that the prohibition should apply only to new steam plants and single-purpose power dams, and not to generating units in existing plants or to transmission facilities."

We challenge the use of the word "clearly." To us, the language is a definite prohibition, and if it is to be reinterpreted for the benefit of the TVA, this should not be by TVA's own counsel alone, but either by the Congress or the courts, or perhaps by both, as we have indicated above.

This opinion and interpretation have already been challenged in the Congress in part by Members sympathetic to the Tennessee Valley Authority. We suggest the reading of the CONGRESSIONAL RECORD of July 13, 1955, at pages 8938 and 8939; also of the RECORD of July 14, 1955, at pages 10005 and 10009, and of the RECORD of August 2, 1955, at page 11254.

It would be well, in view of the present request for new money, and the ensuing discussion, for all Members of Congress to reread the testimony of the then-TVA Directors in 1936, in which the witnesses testified to the intent of TVA policy and their own opinions as to TVA's obligations. For example, Mr. David Lilienthal testified, regarding the way TVA would set the power rates:

"These rates are based on certain principles, and the first principle is that the consumers of electricity must pay all the operating cost of furnishing that electricity, without any contribution whatever from taxpayers."

"Second, that consumers of electricity, the people who pay the rates, shall pay taxes, through the rates, which, of course, is the way all utility operations pay taxes equivalent to the national average of taxes, local, State, and Federal, paid by private-owned utilities. Municipalities which purchase power from the Tennessee Valley Authority plant at the Wilson Dam and resell it in turn, at retail to their citizens also pay taxes, as required by their contract with the Authority, and those taxes are also equivalent to the amount a private utility would pay, a private utility in that community."

"Third, depreciation and amortization are provided for, both by TVA and by the municipalities. As to TVA, the rates charged include a margin to offset depreciation from year to year, so that in the course of years there is a reserve adequate to rebuild the plant as a new plant; and there is also a surplus which, if Congress so desires, can be used to pay back into the Treasury not only the present value of this depreciated wartime property, but also every penny of the original investment put into the property in order to defend this country against its enemies."

"Fourth: Interest is charged."

Dr. A. E. Morgan, the first TVA chairman, expressed his opinion of TVA power operations and rates in these words:

"They must be fair, with no special arbitrary advantage; they must pay taxes, just as private utility companies must do, and every other reasonable charge if they are to provide us with a fair comparison."

He refers of course to the "yardstick" theory, so often advanced by TVA and its supporters. We hardly need add that any resemblance of present TVA policies, including the current request for an appropriation to build the John Sevier unit, to the original testimonies on the basis of which the TVA Act was passed, is entirely coincidental.

(3) To permit the TVA to issue its own revenue bonds, to cover the \$28 million it estimates it needs for this unit. Whatever icing may be spread over this proposal, it means essentially that these bonds, directly or indirectly, now or in the future, will be obligations of the United States Government, just as surely as if we had approved the original request for new money and then gone out and secured that money by borrowing it (with interest) or by taxing the people of the 48 States for it. This has been so often refused in recent years by the Congress that to propose it now, somewhat disguised, seems to us to be completely out of order.

Whether or not the TVA shall be permitted to set itself up as an independent agency, or utility, furnishing power in a designated area, paying local, State, and equivalent Federal taxes and interest, underwriting its operations from its own income, adjusting its rates to meet its needs under such incorporation, borrowing money to expand or replace its facilities, is a matter now before the proper legislative committees in this Congress. Certainly, if the TVA is to be given the right to its independence and to operate as any power utility operates, then it might properly have the authority to issue bonds. In that case, however, they would not be bonds of the United States adding to our already topheavy national debt: they would be bonds of a utility corporation, not of the autocratic power empire envisioned in the opinion of the TVA counsel and other TVA proponents. Such bonds would be sold to the public, as the bonds of any power utility are marketed. This is a reasonable suggestion; any idea that we should permit the TVA, an agency of our United States Government, to issue revenue bonds which would become contingent obligations of the United States is unthinkable.

If the TVA desires independence, let it separate its power functions from its other functions, if necessary, and then issue bonds for its entire power construction debt in the past. It would, by such a bond issue, with repayments determined, and on which it would pay interest, assume the financial responsibility for all money already advanced by the Treasury (or in other words by the taxpayers, the great majority of whom in no way benefit from this expenditure); pay normal interest thereon, and secure complete independence, with the pride and integrity which accomplishes independence.

The responsibility to recommend that such authority be given the TVA lies with a legislative committee, not with the Committee on Appropriations.

(4) The proper choice, in our opinion, is to follow the course already adopted by Memphis, the first of the captive municipalities to take itself out from under TVA bondage. This statement is made advisedly; under TVA contracts, no other power may be bought in its area, nor can a distributor provide power from its own or any other source, without TVA permission. Even the rates charged its customers, by the distribu-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of May 17, 1956
84th-2nd, No. 81

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HIGHLIGHTS: Both Houses agreed to conference report on sugar bill. Ready for President. Senate debated farm bill. Senate committee reported fisheries stabilization bill. Sen. Stennis described and commended USDA research program. House committee reported bill to alter dates for proclamation of tobacco quotas. House committee reported bill to further define dry milk solids. House Rules Committee cleared bill to merge PCA's and intermediate credit banks.

SENATE

1. SUGAR. Both Houses agreed to the conference report on H. R. 7030, to amend and extend the Sugar Act of 1948. pp. 7508, 7529 This bill will now be sent to the President.
2. FARM PROGRAM. Began debate on H. R. 10875, the farm bill. pp. 7480, 7487, 7492, 7497, 7499, 7501, 7510, 7520
Agreed to all committee amendments, but only for the purpose of enabling the bill, as so amended, to be considered as original text for the purpose of amendment (p. 7492). Agreed to limit debate to 1 hour on each amendment, beginning today, and to limit debate on the bill itself to 2 hours (p. 7491). Sen. Aiken inserted a letter from the Secretary in response to a request for information on the possibility of getting a soil bank into operation on the 1956 crops (p. 7501). Sen. Daniel presented and discussed an amendment (on behalf of himself and others) to restore the House language on feed grains with a modification (p. 7520). Sens. Williams, Young, Martin of Pa., Anderson, Daniel, and Barrett submitted amendments which they intend to propose to the bill (p. 7480).
3. FISHERIES. The Committee on Interstate and Foreign Commerce reported with amendments S. 3275, which establishes a separate Fisheries Division of the Interior Department (outside of Fish and Wildlife Service) and a policy-making Fisheries Commission, transfers to the Fisheries Division all functions of the Secretary of Agriculture and others relating to the development, advancement, management, conservation, and protection of fisheries, and authorizes appropriations to

carry out the bill. Sen. Magnuson discussed the bill and inserted its text and a list of organizations supporting it. p. 7472

4. RESEARCH; APPROPRIATIONS. Sen. Stennis commended the Department's research program and recent increases in appropriations for this purpose, stated that these appropriations are small compared with funds for military research, and described various agricultural research accomplishments. p. 7516
 5. ELECTRIFICATION; WATER DEVELOPMENT. Sen. Neuberger inserted articles by Peter Inglis favoring joint development of Columbia River resources, for power and other purposes, by the U. S. and Canada. p. 7484
 6. ROADS; FORESTRY. Sen. Neuberger inserted and commended testimony by the National Lumber Manufacturers Association favoring exemption from gasoline tax of trucks traveling on private roads. p. 7499
 7. HOUSING. As reported (see Digest 79), S. 3855, the omnibus housing bill, includes provisions as follows: Sec. 605 amends Title V of the Housing Act of 1949 to authorize, for a 5-year period beginning July 1, 1956, and ending June 30, 1961, (1) \$450 million for farm housing loans through this Department, (2) \$10 million for contributions by this Department to prevent defaults in payments of loans for potentially adequate farms, and (3) \$50 million for grants and loans for improvement and repair of certain farms. Sec. 502 directs the Public Housing Authority, upon request, to transfer farm-labor camps to local public housing agencies, without compensation, with first preference as to use being given to low-income farm workers. Sec. 602 directs the Housing Administrator to conduct a research program covering the supply and demand factors affecting the housing market, mortgage market problems, the need for low-income housing, etc. Sec. 604 provides for a Commission on National Housing Policy, to make recommendations, by June 30, 1957, relating to housing needs, discounting of Government-supported mortgages, the prospects of new sources of investment funds etc.
 8. ROADS; FORESTRY. As reported (see Digest 77), H. R. 10660 authorizes \$24 million for each of the fiscal years 1958-61 for forest development roads and trails (House version authorizes \$27 million for each of the fiscal years 1958-59), and authorizes \$22.5 million annually for each of the fiscal years 1958-61 for forest highways (House version authorizes \$25 million for each of the fiscal years 1958-59).
 9. PERSONNEL. This Office has received from the Joint Committee on Atomic Energy one copy of a committee print, "Engineering and Scientific Manpower in the United States, Western Europe, and Soviet Russia." This is a statistical report on the numbers of trained engineers and natural scientists and the status of training for this type of profession. Copies of the report will not be available from this Office, but may be purchased from the Superintendent of Documents, GPO, for 25 cents a copy.
- HOUSE
10. TOBACCO. The Agriculture Committee reported with amendment H. R. 9475, to alter the date of proclamation of marketing quotas for flue-cured and other types of tobacco (H. Rept. 2180). p. 7579
 11. MILK. The Interstate and Foreign Commerce Committee reported with amendment H. R. 5257, to further define nonfat dry milk solids for purposes of the Federal Food, Drug, and Cosmetic Act (H. Rept. 2176). p. 7579

Mr. ELLENDER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Louisiana.

Mr. ELLENDER. I desire to say to my good friends, the Senator from Arizona [Mr. HAYDEN] and the Senator from New Mexico [Mr. ANDERSON], that I do not want to quarrel as to any cotton farmer who has shifted from the production of cotton to a more profitable crop, and who has in the process abandoned his acres of cotton. I have no sympathy for him; he should have continued in the growing of cotton if he desired to maintain his base acreage. But here we have a situation that is different from that which prevailed at the time suggested by my good friend from New Mexico. Cotton acreage allotments have now been reduced to the point where it hurts. The national allotment is down now to 17,391,000 acres. I am sure the situation which will prevail in the Southeast, as well as the Southwest, in regard to the planting of cotton, will be different in 1957 and 1958 from what it was 4 or 5 or 6 years ago.

We have provided in the bill for a soil bank. Those cotton farmers who will not see fit to plant their allotted acres to cotton can put those acres in the soil bank. What is going to happen is that, no matter if Louisiana or Mississippi or any other Southern State plants all its allotted acres, or puts part of them into the soil bank, the formula which has been in the law for quite some time will cause those States to lose additional allotted acres in 1957 and 1958, partly because of trends and partly because of unusual conditions which caused Texas to plant a million and a half acres of wheatland to cotton in 1951.

I repeat, I am not here criticizing my good friends from New Mexico and Arizona about what has happened in the past, nor am I trying to blame them because some cotton farmers did not plant all of their allotted acres in the past. As cotton plantings in the West increased, there has been a steady shifting of cotton acreage allotments to the West. That shifting of allotments occurred in 1956, and it will occur in 1957 and 1958 if the Senate committee amendment is not adopted.

We have now reached the situation where cotton acreage has been reduced to a minimum. Additionally, the provisions in the bill creating a soil bank will result in every allotted acre being either planted or placed in the soil bank. We are freezing the national acreage allotment at the 1956 level to prevent further reductions being imposed on our cotton farmers. Under these conditions, I say it is morally wrong for farmers to have to suffer additional reductions in 1957 and 1958 because of a gadget in the old law, especially when those acres are being passed on to a few States in the West.

The conditions today are far different from what they were in the past, and I hope that before my friend from New Mexico offers his amendment he will sleep on it overnight and see the justice in what I am pleading for.

Mr. HAYDEN. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. HAYDEN. If the trend has been such that there has been less acreage planted in the Southeastern States and more acreage planted in the West, that trend was due to the fact that it was to the advantage of somebody in the Southeastern area to put the land which was used for the growing of cotton into other crops.

Mr. ANDERSON. I can say to the Senator from Arizona that some years ago the Commissioner of Agriculture in the State of Georgia, Mr. Tom Linder, printed a story in which he said cotton ought to be \$1 a pound. His idea was that it took that much money to raise cotton. Well, it did not; but there are areas where the raising of cotton is expensive, and there are areas where it is raised more cheaply.

The Senator from Arizona, whose State would really be hurt by the amendment, should recognize that the same acreage would be planted in 1956, 1957, and 1958, which would give his State 3 of the 5 years, and affect its acreage forever, and that if his state is tied to those acres there will be no opportunity for the factor of growth to operate, and the State will be signing away forever the possibility of it.

Mr. HAYDEN. The trend should be recognized, and there should be some provision in the bill whereby the trend could continue as it has in the past, but if temporarily it was desired to allow more acreage to the South, that would be a very different proposal.

Mr. ANDERSON. Yes.

Mr. HAYDEN. Because the basic law would remain unchanged, and those areas where there was legitimate demand for increased acreage could have it and the law would allow it.

Mr. ANDERSON. Mr. President, I should like to continue this colloquy with my able friend the Senator from Arizona, but I understand the sugar bill conference report is ready, and I do not want to do more at this time than offer an amendment, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. ANDERSON. Mr. President, I also ask unanimous consent to have printed in the RECORD, at this point in my remarks, a statement which I have had prepared on the proposed adjustment in import quota of extralong staple cotton; also a telegram I received from John L. Augustine, head of the Farm Bureau of New Mexico; a telegram from James F. Cole, president, Dona Ana County Farm and Livestock Bureau; and a telegram from Fred G. Sherrill, of Los Angeles, Calif.

There being no objection, the statement and telegrams were ordered to be printed in the RECORD, as follows:

STATEMENT ON PROPOSED ADJUSTMENT IN IMPORT QUOTA OF EXTRA LONG STAPLE COTTON

1. EFFECT OF ADJUSTMENT

Section 304 (a) of H. R. 12 would have the present 95,000 bale import quota apply, beginning February 1, 1957, to all cotton having a staple length of $1\frac{1}{8}$ inches and longer, as did the original quota when it was es-

tablished in 1939. The exemption for Peruvian cotton ($1\frac{1}{16}$ inches and longer) made in 1940 for defense purposes would no longer apply. It is no longer needed by the military.

2. USE OF EXTRA LONG STAPLE COTTON

Either American-Egyptian cotton or Egyptian Karnak cotton can be used satisfactorily for the manufacture of most, if not all, products for which Peruvian Pima cotton is now being used (according to the Chief of the Standards and Testing Branch, Cotton Division, Agricultural Marketing Service, USDA, based on limited data available on the subject). About 60 percent of the extra long staple cotton consumed in the United States is in thread. One-fourth is in woven fabrics, with the rest being used in laces, gloves, machine ribbons, knitting yarns, and miscellaneous products. Almost 90 percent of the Peruvian Pima is used for woven fabrics. Although a smaller percentage of the American-Egyptian and Egyptian grown cottons are used for woven fabrics, the total bales used for that purpose exceed the quantity of Peruvian Pima cotton so used. Mills which use all types of extra long staple cotton report that all types are suitable for woven fabrics. Mills using extra long staple cotton state that Peruvian Pima is not used for thread because it lacks smoothness and does not stand up well in the sewing operation, and that it is too soft and lacks strength for use in machine ribbons. Its use in woven fabrics is based on the prestige built up for fine, silky cotton fabrics known as "Pima," with resulting strong consumer acceptance for "Pima" cottons.

3. ONE AND ELEVEN-SIXTEENTHS INCHES NOT GROWN IN UNITED STATES

United States farmers do not produce a cotton which has a staple length $1\frac{1}{16}$ inches and longer. Lengthening the staple beyond $1\frac{1}{2}$ inches (the approximate length of most extra long staple cotton) does not necessarily improve the quality of cotton. Other characteristics, such as smoothness, strength, uniformity of staple length and maturity are more important than the extreme length of staple. Working in cooperation with United States cotton mills and cotton farmers, USDA has developed satisfactory extra long staple cottons which have a slightly shorter staple length than the Egyptian $1\frac{1}{2}$ inches. By so doing, they have increased yields per acre sharply and have maintained or improved upon other desirable characteristics.

4. ONLY COTTON NOT LIMITED BY IMPORT QUOTA

Cotton having a staple length of $1\frac{1}{16}$ inches and longer is the only raw cotton not subject to import restrictions. It is directly competitive with American and Egyptian grown extra long staple cotton. Compared to the 500 to 1,000 bales being imported in 1940 at the time import controls thereon were suspended, imports have been increasing sharply, having reached an estimated 16,000 bales last year. This compares with 7,000 in 1951, 10,000 in 1952, 12,000 in 1953 and 14,000 in 1954. Aided by a World Bank loan (31 percent of the capital contributed by the United States), Peru is developing irrigation facilities for an estimated 60,000 additional acres to be devoted to cotton. Without quotas, there is no limit to the quantity of United States cotton which can be displaced by Peruvian. From 1950 to 1954, production of United States extra long staple cotton varied from 48,000 to 93,000 bales. The marketing quota on the 1956 crop is 35,000 bales. The quota-free imports of Peruvian cotton last year represented about 40 percent of the United States production.

5. EFFECT OF SECTION 304 (a) ON IMPORTS OF PERUVIAN COTTON

Section 304 (a) will not prevent or stop imports of cotton having a staple length of

1 $\frac{1}{16}$ inches and longer (Peruvian cotton). The effect would be to require that such imports displace Egyptian cotton rather than United States-grown cotton. Any additional expense incurred by importers of Peruvian cotton as a result of section 304 (a) would be offset by the present tariff advantage of 1 $\frac{3}{4}$ cents per pound which this cotton has over other imported extra long staple cotton. The objection to section 304 (a) is believed to be based upon the 5 cents to 10 cents price advantage which Peruvian cotton enjoys over Egyptian- and American-grown cotton.

6. TIMING OF IMPORTS

The present quota opens on February 1. This is timed to fit the Egyptian harvest. The Peruvian crop is harvested about 6 months later. If, at the time the Peruvian cotton was ready for shipment to the United States the global quota had been filled by imports of Egyptian cotton, importers of Peruvian would be placed at a disadvantage. They would either have to buy 6 months further ahead, or some adjustment in the quota should be made. If the attached language were added to section 304 (a), this problem would be adequately dealt with.

LAS CRUCES, N. MEX., May 16, 1956.

Senator CLINTON P. ANDERSON,

Senator DENNIS CHAVEZ,

United States Senate,

Washington, D. C.:

We understand Eastland amendment to new farm bill to come before Senate May 7. Would appreciate your doing everything possible to push provision directing Agriculture Secretary to sell cotton at competitive world prices. Check provision pertaining to increased cotton allotments, 1957-58, to see if western areas fairly treated. Understand State Department attempting to delete long staple amendment. Don't let them get away with this. It's time to help our own people instead of everyone else in the world.

JOHN L. AUGUSTINE

LAS CRUCES, N. MEX., May 16, 1956.

Senator CLINTON P. ANDERSON,

Senate Office Building,

Washington, D. C.:

First, we favor the Eastland amendment to make cotton sales for export. Competitive offering of cotton above the world market price is a signal to foreign growers to plant more cotton. Surpluses must be moved in the interest of farm economy at competitive prices. We feel that due to the influences of the State Department that legislation directing rather than permitting this action is necessary. Second, we oppose any provision in the law which allocates increases in cotton allotment equally on a percentage basis. The 5-year provision is a basic part of the law which recognizes the trend in cotton production. Efforts to defeat this will deprive New Mexico of a historic legal right to acreage increases. Third, we are reliably informed that the State Department has contacted Senator H. ALEXANDER SMITH regarding the removal of the provisions which were in the earlier farm bill regarding extra long staple cotton. The provisions concerning global quotas and directing the Secretary to dispose of surplus of extra long staple are essential to the survival of an industry which has gone all out to try to help itself.

JAMES F. COLE,

President, Dona Ana County Farm and Livestock Bureau.

LOS ANGELES, CALIF., May 15, 1956.

Senator CLINTON P. ANDERSON,

Senate Office Building,

Washington, D. C.:

Another amendment to the farm bill H. R. 10875 has come to my attention which (a) freezes the national cotton allotment for 1957 and 1958 so that it will be the same

as for 1956, and (b) provides that each State allotment for 1957 and 1958 shall be the same as for 1956. Under present circumstances I would say that the national allotment is amply large and I would not oppose that provision. I cannot see, however, why the result of trends in acreage which reflect essentially sound economic production of desirable qualities should be suspended during this period. This is the provision in the present act which distributes the national allotment to the States on the 5-year average rule. If this is suspended as item (b) above seeks to do, California will fail to get some thirty-odd-thousand acres which it should have, Arizona will fail to get some 20,000 acres which it should have, and New Mexico will fail to get some 5,000 acres which it should have. Inasmuch as the national allotment remains undisturbed it naturally follows that sections of the country producing less desirable qualities than we produce here will be planting our acreage and producing more of those less desirable qualities while we produce less of the more desirable qualities. Please do what you can to let the present law determine how the frozen national allotment shall be distributed. Thanks and best wishes.

FRED G. SHERRILL.

Mr. ANDERSON. Mr. President, in closing, I point out that when the senior Senator from Louisiana asked that additional cotton be given to the small farmers of the southeastern section of the country, it was done on the basis that no planting history should be obtained. I suggest that he might bear that in mind in connection with this question.

EXTENSION OF THE SUGAR ACT OF 1948—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I understand the Senator from Virginia is ready to present the conference report on the extension of the Sugar Act of 1948, which is a privileged matter. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of yesterday.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRD. Mr. President, in the case of the conference report on the sugar bill, H. R. 7030, which would amend and extend the Sugar Act of 1948, I am happy

to announce a unanimous agreement, after a considerable period of time, on the part of House and Senate conferees on this bill. There were no dissenters on the final version, and the Senate amendments were generally accepted.

I am also glad to state that a few minutes ago the conference report was unanimously agreed to by the House of Representatives.

The House accepted all of a number of perfecting and technical amendments made by the Senate and, in large part, the more important amendments were adopted in full or compromised satisfactorily.

There were three important points of difference between the House and Senate versions of the bill. On one other point the difference was not so great. Those points of difference were:

First. The length of the extension of the Sugar Act. The House version of the bill was for 4 years; the Senate version was 6 years. The Senate conferees receded on this point, and agreed on a 4-year extension. It was unanimously agreed however, that the next extension should be taken up in 1959 to avoid the necessity for any hasty action during the last year of the present extension, and so that farmers and foreign countries can make their plans in advance of planting seasons.

Second. The proportion of increased demand allocated to foreign and to domestic producers. The House voted a 50-50 split. The Senate felt that because domestic producers had not been able to share in increased demand for a number of years, the division should be 55 percent of the increase to domestic producers and 45 percent to foreign producers.

The House conferees receded on this point, and the formula of 55-45 was adopted.

Third. The division of increased domestic demand allocated to foreign areas among the various participating countries took considerable compromising. The conferees decided that the element of greatest importance to a foreign country producing sugar was the amount in total that could be exported to the United States. Therefore, total United States requirements over the 4 years of the extension and the total share in those requirements by each country constituted the base from which we worked.

For example, under the House version of the bill, Cuba would have supplied 92.4 percent of the total amount of sugar allocated to the full-duty countries plus Cuba. The Senate version would have granted to Cuba 94.4 percent. The compromise decided upon by the conferees gives 93.75 percent to Cuba. The compromise gives Mexico 1.2 percent, Peru 2.3 percent, Dominican Republic 1.75 percent, and all other countries 1.0 percent.

I understand that the administration will accept these percentages.

Fourth. Both the House version and the Senate version of the bill carried formulas for the allocation of the first 188,000 tons of increased demand among domestic producing areas. Although the

formulas were different, there was not a great deal of difference in the expected results. The House conferees receded, and accepted the Senate formula.

I hope the Senate will accept the bill as agreed upon by the conferees. On the major points of difference, the House conferees receded on 2, the Senate conferees receded on 1, and 1 was compromised satisfactorily. Although it would have been impossible to arrive at a solution of this great sugar problem which would make everyone happy, we feel that we have at least divided the unhappiness fairly equally.

I urge acceptance of the conference report.

Mr. BENNETT. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. BENNETT. I should like to make an observation: With respect to the foreign share of sugar, the amount in disagreement was equal only to 2 pounds in 100. In other words, if we set up as a symbol a 100-pound sack of sugar, to represent all the sugar which would come in from foreign producers, there was in disagreement only 2 pounds in 100; and by the compromise we finally saved for Cuba all but two-thirds of 1 pound. So by the compromise, Cuba lost only two-thirds of 1 pound out of 100 pounds; and the compromise agreement is two-thirds in line with the position taken by the Senate, and only one-third in line with the position taken by the House.

Mr. BYRD. I thank the Senator from Utah.

Mr. ELLENDER. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD. I yield.

Mr. ELLENDER. I wish to take this occasion to thank my good friend, the Senator from Virginia, from the bottom of my heart for having brought the sugar bill to a conclusion, particularly when he was able to maintain the Senate's version of the bill in respect to the division of the increased amount of sugar which is consumed in the United States because of the increase in our population. As he has stated correctly, the Senate conferees fought for 55 percent of the amount of that growth; and I am glad that is provided for in the conference report.

Again I wish to compliment my good friend, the Senator from Virginia, and also my good friend, the Senator from Utah [Mr. BENNETT], and all other Senators who participated in the conference.

Mr. HOLLAND. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I wish to express my very real gratitude and my warm compliments to the Senator from Virginia and the other Senate conferees, and to say that I think this is a good bill. As I understand, it stabilizes the matter of sharing on a 55-45 basis in the continuing market; and in the case of the increase after January 1, 1956, above 8,350,000 tons, it divides it on the basis of the same ratio—namely, 55 percent to domestic producers, and 45 percent to foreign producers.

Mr. BYRD. The Senator is correct.

Mr. HOLLAND. For which I certainly congratulate the conferees. Speaking for the sugar industry of my State, which does not always have easy sledding, and will not have under this bill, this arrangement will certainly stabilize the situation remarkably well, and will enable sugar producers to get rid of the stored up surplus, created not by added acres, but by added efficiency and increased production in recent years. The bill will allow the sugar producers to get rid of a surplus which now occupies two very large warehouses. I think that can be accomplished in a period of about 3 years.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LANGER. How does the conference report treat cane sugar as compared with beet sugar?

Mr. BENNETT. Mr. President, If I may answer that question. The division as between the mainland cane producers and the domestic beet producers was written into the bill in accordance with an agreement between the two industries. With respect to the first 165,000 tons, they will be shared on the basis of 51½ percent to beets and 48½ percent to cane. Thereafter they will return to their original relationship, which will be based upon the difference between, roughly, 1,880,000 tons and 582,000 tons, or something of that kind. But we established a comparatively even relationship for the first 165,000 tons. Thereafter it reverts to the longtime relationship which existed under all previous legislation.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BARRETT. I wish to commend the chairman of the Finance Committee and other members of the committee for the fine work they did in connection with the conference report.

Let me say to my distinguished colleague from Florida [Mr. HOLLAND] that his State is not the only one which has been experiencing some difficulty so far as sugar is concerned. We in the sugar beet area have also been in considerable difficulty.

I am very much pleased with the provisions to which the distinguished Senator from Utah [Mr. BENNETT] has just referred. As I understand the situation, the first 165,000 tons over and above the base of 8,350,000 tons will go to the domestic producers, 51½ percent to beet sugar, and 48½ percent to cane sugar producers.

Mr. BENNETT. It is not quite that way. It is the first 165,000 tons produced, over the base of 55 percent.

Mr. BARRETT. I understand. That is the amount which is allocated to this country.

Mr. BENNETT. That is correct.

Mr. BARRETT. The point which pleases me very much is that, as I understand, the estimate for this year is in excess of 165,000 tons increase, and consequently, the domestic producers will receive some benefit immediately from this legislation. So I am especially pleased about that particular provision

in the conference report. Again I commend our conferees for their fine work. I think this is an excellent bill. The division, on the historic basis of 55 to 45, has now been reaffirmed, and we are now in such a position that we can look forward to some measure of prosperity in the sugar beet and sugar-cane industries.

Mr. HOLLAND. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. HOLLAND. Am I correct in my understanding that the reason for making a distinction in favor of cane sugar in the first year's distribution of the surplus was the fact that the cane sugar producers have on hand a much greater surplus, proportionately?

Mr. BYRD. That is correct.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. SMITH of New Jersey. As a member of the Committee on Foreign Relations, I have been asked by our Filipino friends why, as they claim, they were discriminated against by being omitted entirely from participation in any increase in sugar consumption. I should like to have that explained for the RECORD, so that I may properly advise my Filipino friends.

Mr. BENNETT. Mr. President, the Senator's Filipino friends have been told repeatedly that their participation in the American sugar market is on the basis of a treaty. The Finance Committee has no authority to open up existing treaties. Members of the Finance Committee have never felt that the Filipino share could be considered by them. If the State Department wishes to increase the allotment of sugar to the Philippines, it should be prepared to open up the general Philippine treaty and handle it through the regular channels, which includes handling it through the Senator's committee.

Mr. SMITH of New Jersey. Then is it fair to say that there was no intention on the part of members of the conference committee from either the House or the Senate in any way to discriminate against our Filipino friends?

Mr. GEORGE. Mr. President, if the chairman of the committee will yield to me, the Philippines have a treaty, and that treaty governs sugar shipments into this country and the quotas. Under the treaty the Filipinos have preferential treatment, which will extend, as I recall, until 1970. We were clearly of the opinion that there was no discrimination against the Philippines. They already have an advantage.

Mr. SMITH of New Jersey. I wished to make it clear for the record that there was no intentional discrimination.

Mr. GEORGE. None whatever.

Mr. MILLIKIN. Mr. President, I wish to congratulate the Senator from Virginia [Mr. BYRD] for the very able work he did on the sugar bill in conference.

I wish also to congratulate the Senator from Utah [Mr. BENNETT], who did so much active work in bringing about the 55-45 division, which is traditional, and which is an improvement over the present situation. It gives better recognition to the home production of sugar.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF INTERNAL REVENUE CODE OF 1939, RELATING TO PATENT RIGHTS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 6143) to amend the Internal Revenue Code of 1939 to provide that for taxable years beginning after May 31, 1950, certain amounts received in consideration of the transfer of patent rights shall be considered capital gain regardless of the basis upon which such amounts are paid, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD, Mr. KERR, Mr. FREAR, Mr. MILLIKIN, and Mr. MARTIN of Pennsylvania conferees on the part of the Senate.

AGRICULTURAL ACT OF 1956

The Senate resumed the consideration of the bill (H. R. 10875) to enact the Agricultural Act of 1956.

Mr. YOUNG. Mr. President, I should like to make some very brief remarks today on the feed-grain provisions of the pending agricultural bill; and tomorrow, when we consider the bill and its amendments, I shall discuss further the feed-grain amendments and other provisions of the bill.

Last fall the price of hogs dropped to \$9 or \$10 a hundred pounds, and the corn price dropped to 95 cents or a dollar a bushel, in most Midwest areas. Always when corn and other feed grain prices drop, hog prices and cattle prices sooner or later follow. They usually follow shortly afterward.

Taking recognition of the fact that low feed grain prices, particularly low corn prices, mean continued low prices for hogs and cattle, Secretary Benson not long ago established a support price for corn in the commercial area at \$1.50 a bushel, and another, new price support, which we have never had before, of \$1.25 a bushel, to noncompliers, or those farmers who fail to comply with any acreage allotments. In addition to that, he established at least two more price-support levels in the noncommercial area.

The whole object, as I understand it, of this action was to prevent more free corn from going on the cash markets in the fall, and thus depress the cash price of corn.

I say again that he felt, and rightly so, that low corn prices mean low hog prices and low cattle prices.

The minority views of the Committee on Agriculture and Forestry, are rather

amazing. They are almost in complete contradiction to what Secretary Benson did only a short time ago in establishing these higher price support levels for corn.

I should like to quote from the minority views as published in the report of the committee:

2. Prices of feed livestock would be reduced.

That is, if the feed grain provision in the bill prevailed.

In deciding how much they can pay for feeder cattle, Grain Belt men figure the probable price of the finished animal and deduct the cost of feed. The higher the price of feed in the Grain Belt, the lower the price of feeder cattle on the western range.

Mr. President, no responsible cattlemen or hogmen would agree with that position. All of them know that continued low prices for feed grains and abundant supplies mean that farmers will translate those cheap grains into more and more production and surpluses of hogs and more and more production and surpluses of beef.

I should like to say that, with respect to the average farmer in the Midwest, particularly in Iowa, the price he gets for hogs represents the price he gets for his corn, because he puts practically all of that corn he produces on the market through hogs or cattle. If there is an abundance of cheap feed grain, and excessive feeding and excessive supplies, down goes the price of hogs and down

goes the price of most everything that that farmer has to sell.

I should like to place in the RECORD figures which I obtained from the Department of Agriculture only yesterday. They gave the average price of feed grains for the past 10 years; that is, for oats, barley, sorghums, and corn. It also shows the price of feeder cattle and other cattle.

It will be noted from this table that the price of feeder cattle and the price of hogs follow almost exactly the price of feed grains, such as corn, wheat, oats, and others.

It is true that if feed grains remain cheap this fall, many cattle feeders may buy more cattle than they ordinarily would, hoping that they can feed the cheap grain to their cattle; and even if the cattle prices do not go up very much, at least they will not lose very much money.

That is what happened to a large extent last fall. Feed grain prices were cheap, and cattle feeders paid a little more than they ordinarily would, believing that with the very cheap grain they would still make a little profit. I believe that most of them will be mistaken. They will not make any money, some may lose even with present grain prices.

I ask unanimous consent that the table be printed in the RECORD, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Oats (per bushel)	Barley (per bushel)	Corn (per bushel)	Grain sorghums, soybeans		Beef cattle (per hundred-weight) ¹	Stockers and feeders cost at Kansas City	Stockers and feeders average cost of 4 markets
				Per hundred-weight	Per bushel			
1946.....	\$0.805	\$1.38	\$1.53	\$2.48	\$2.56	\$14.50	\$15.87	\$15.80
1947.....	1.04	1.73	2.16	3.27	3.34	18.40	20.81	20.36
1948.....	.717	1.16	1.28	2.29	2.27	22.20	25.54	25.23
1949.....	.655	1.06	1.24	2.00	2.17	19.80	21.34	² 21.21
1950.....	.788	1.19	1.52	1.88	2.47	23.30	26.67	² 26.90
1951.....	.820	1.26	1.66	2.36	2.73	28.70	32.63	² 32.85
1952.....	.788	1.38	1.51	2.80	2.72	24.30	25.55	² 25.76
1953.....	.743	1.17	1.48	2.36	2.73	16.30	17.35	³ 17.13
1954.....	.713	1.09	1.42	2.25	2.46	16.00	18.97	³ 18.64
1955.....	.596	.928	1.31	1.78	2.20	15.60	18.60	⁴ 18.25
Apr. 15, 1956..	.623	.949	1.32	1.93	2.63	15.00	⁵ 17.31	⁴ 17.02

¹ National average price received by farmers for all beef cattle.

² 5 markets.

³ 8 markets.

⁴ 10 markets.

⁵ Week ending Apr. 26.

Mr. YOUNG. Mr. President, I have also had the Department of Agriculture prepare some figures on the price of hogs, from 1930 to 1940—I left out the war years—and from 1946 to 1955. Again it appears from these figures that the price of hogs followed almost exactly the price of corn. For example, when corn prices went down, hog prices went down.

Again, Mr. President, that is almost in exact contradiction to the minority views of the Committee on Agriculture and Forestry, and it is almost in exact contradiction to what some Members of the Senate are trying to accomplish, that of trying to continue the cheap grain prices.

Mr. President, it is impossible to have two things at the same time; it is impos-

sible to have cheap feed-grain prices and still have good cattle prices and good hog prices. That is impossible.

Perhaps to a dairy farmer in the East, who sells practically all of his milk in the large cities, under milk marketing orders at 90 percent to 100 percent of parity, and has 80-percent price supports for practically all the rest of his dairy products, such as butter and cheese, that is an excellent deal. However, to any farmer living in the Midwest who produces hogs, or cattle, or grain, this is a wrong philosophy entirely. We will never solve our hog- and cattle-price problem and our grain-price problem, and the problem of the average farmer, so long as we continue the policy of cheap feed grains.

Savings and Loan Insurance Corporation. Reorganization Plan No. 2 of 1956 will substantially benefit all of them. I urge the Congress to allow the reorganization plan to become effective.

THE WHITE HOUSE, May 17, 1956.

PROCEEDINGS HAD DURING THE RECESS

Mr. McCORMACK. Mr. Speaker, I move the proceedings had during the recess of the House be printed in the RECORD.

The motion was agreed to.

FEDERAL INTERMEDIATE CREDIT BANKS

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 508, Rept. No. 2175), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10285) to merge production credit corporations in Federal intermediate credit banks; to provide for retirement of Government capital in Federal intermediate credit banks; to provide for supervision of production credit associations; and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF SUGAR ACT OF 1948

Mr. POAGE. Mr. Speaker, I call up the conference report on the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. McCORMACK). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 16, 1956.)

Mr. POAGE. Mr. Speaker, I ask unanimous consent that any Members desiring to do so may extend their remarks at this point in the RECORD and that all others may have 5 legislative days in which to extend their remarks.

The SPEAKER pro tempore (Mr. McCORMACK). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HOPE. Mr. Speaker, as far as I know there is no opposition to the conference report on H. R. 7030 to extend

the Sugar Act of 1948. I think the bill agreed upon in conference is an improvement on both the House and Senate bills.

As agreed on in conference the bill gives domestic producers 55 percent of the increase in consumption and foreign producers 45 percent, thus restoring the traditional division which existed for a number of years prior to the act of 1948.

Domestic producers at present, both cane and beet, are ready and anxious to increase their production. Certainly foreign countries cannot object to going back to the provisions which began with the original Jones-Costigan Act and which continued until 1948 at which time domestic producers expressed their temporary willingness to accept a fixed quota in lieu of the original formula. The willingness of domestic producers to accept a fixed quota at that time was due in part to our inability to meet the production required under the previous formula and partly because it was felt that foreign areas, particularly Cuba, should be given an opportunity to adjust their wartime production to postwar levels without too much of a strain on their economy.

While there have been wide differences of opinion as to the basis on which the 45 percent of the increase going to foreign producers should be allocated, I believe that the provisions as worked out by the conference committee are as fair as can be devised and should be generally satisfactory to our foreign suppliers.

I therefore heartily favor the bill as set out in the conference report and hope that it will be accepted by both the House and Senate without opposition.

Mr. WOLVERTON. Mr. Speaker, the answers that have been given to the questions I have addressed to the gentleman from Texas [Mr. POAGE] indicate that under this conference bill, now before the House, Mexico will receive an increased allotment of sugar that may be exported into this country. The amount that it is entitled to export under present law is so small that it can hardly be considered as worthwhile when we consider the importance of Mexico in its relationship to our own country. And, while I am gratified that there has been an increase in Mexico's allotment above that which is now allowed, yet, even with this increase it is, in my opinion, much too low. I am strongly of the opinion that we have been very derelict in our treatment of Mexico in this matter of sugar allotment and also in many other matters that pertain to the welfare of Mexico, and, all of which could have been to our mutual benefit.

In my opinion, it is highly important that we should recognize that Mexico has been, and now is, an ally of the United States. We should treat it as such whenever and in whatever way is within our power. I do not mean to infer that it is not our duty to maintain friendly and helpful relations with the other nations in this matter of sugar as well as in other matters. But, in no instance is there a greater obligation, nor, in my opinion, as great an obligation, as we owe to Mexico. There are many elements that upon consideration

would certainly justify this statement. For instance, and, by way of illustration, it would be highly appropriate if serious consideration should be given to the following:

First. Mexico is the only country that can deliver sugar to the United States overland, an inestimable advantage for United States consumers, especially in times of emergency.

Second. During World War II the United States strictly rationed its sugar consumption. If Mexico is granted an appropriate United States quota, it will be able to contribute to the relief of any future emergency to the benefit of United States consumers.

Third. Mexico is the most secure source of sugar for the United States. During World War II, sea lanes were frequently cut off even from countries as close as Cuba.

Fourth. From fourth place in 1954, Mexico today has advanced to third place among the countries of the world as a buyer of United States products. In this respect Cuba occupies 8th place, Peru, 24th; and the Dominican Republic, 40th. These are the Latin American countries whose United States quotas are greatly in excess of Mexico's.

Fifth. Mexico's 1954 purchases in the United States amounted to \$630 million. This total exceeded Cuba's by \$200 million; it also exceeded the combined totals of Cuba, Peru, and the Dominican Republic by \$50 million.

Sixth. While Mexico purchased \$630 million worth of United States products in 1954, the United States bought only \$330 million worth of Mexican products. In other words, for each dollar the United States spent in Mexico, Mexico spent almost \$2 in the United States. Mexico's unfavorable balance of trade with the United States is 10 times greater than the combined balances of Cuba, Peru, and the Dominican Republic.

Seventh. Mexico, the third largest purchaser of United States products in the entire world, and the first in all of Latin America, is buying \$1.60 worth of United States products for each \$1 worth of Mexican products bought by the United States. Furthermore, Mexico's sugar industry is buying more than \$7 worth of United States products for each \$1 worth of Mexican sugar bought by the United States. A reasonable increase in Mexico's sugar quota will help protect this valuable foreign trade, which contributes to the industrial and agricultural prosperity of each State.

According to the United States Bureau of Census the total purchases in 1954 by Mexico were \$624,473,000.

In view of the facts I have given, it is amazing that there should be such a discrimination, or what seems to be discrimination, against Mexico in this matter of a sugar allotment. The committee is to be commended for its effort to increase the allotment for sugar. And, while it is too small, in my opinion, it nevertheless is an increase over the allotment allowed under the existing law. It is a step in the right direction. It gives hope that in the future we can expect a further increase. I hope that

such will be the result and at no distant day.

Mr. BAUMHART. Mr. Speaker, it is with great pleasure that I support the conference report dealing with the extension of the Sugar Act of 1948. This provides that mainland beet and cane producers will share in the increased consumption of sugar, under a formula providing that the first 165,000 tons of increase will be divided 51.5 percent to the domestic beet area and 48.5 percent to the mainland cane area.

I am sure that the beet-sugar producers in northwestern Ohio will welcome enactment of this new policy. It will mean long overdue relief for this important agricultural group in the form of increased acreage for them after lean years of curtailed production.

Mr. GATHINGS. Mr. Speaker, charity begins at home. That philosophy has gone with me from my mother's knee to this very day. This conference report which is being considered today allocates 55 percent of the growth in United States sugar consumption to the domestic areas and 45 percent to Cuba and the high-duty countries. The domestic areas are entitled to this 5-percent additional allocation in the increased amount of sugar that will be consumed in the next 4 years as covered by this bill. The House passed a 50-50 division. The 55-45 agreement reached in conference will go a long way in alleviating the desperate situation which exists in the beet and cane areas in this country. These domestic growers have suffered cutbacks in acreage which should be to a degree be restored. The acreage reduction taken by them is not as severe as the cotton, rice, and wheat farmers have had to assume, although it has been considerable. In the States where cane is grown the reduction in acreage has been about 18 percent. One of the main reasons for increasing the domestic quota of sugar is that there was an actual carryover of 396,000 tons over and above the quota that had been assigned to such area. Too, this sugar cannot be sold into channels of trade unless the domestic quota is increased. The excess quota sugar was built up due to the farmer applying more fertilizer on his crop as well as through better farming practices.

It is nothing but common justice that we allow the domestic growers of cane and beet sugar to have a shade of advantage over the foreign grower. The Senate bill carried this 55-45 ratio which was sustained by the conferees.

The conference report has given due regard and consideration to Cuba's need to maintain a sizable share of the non-domestic sugar quota. There is a reason for Cuba's acquiring and maintaining a goodly share of the increased consumption of sugar in the years that lie ahead. I am glad to have supported Cuba's interests as a member of the conference on this bill. Cuba is our friend. She is a good neighbor. She is deserving of our full support in the enactment of sugar legislation that is fair, equitable, and reasonable. This conference report deals more fairly with her than the House bill. Cuba is entitled in reality to even more

liberal treatment than that contained in this report.

Out of the 6 million people who reside on the island, 500,000 are now unemployed. It has been necessary for the Government of Cuba to spend \$100 million in public works in order to keep her people employed. Another thing that I would like to point out is that \$676 million has been accumulated in balance of payments with the United States. This is due to the fact that Cuba imports more goods and services from the United States than the United States buys in sugar and other commodities from her. Another thing is that Cuban tourists spend more dollars in the United States than United States tourists spend in Cuba. One of the main reasons that the conference has agreed to give 94.75 percent of this 45 percent nondomestic quota of sugar to Cuba over the next 4 years is that she came to our rescue during the stress and strain of World War II. The then Secretary of Agriculture, CLINTON P. ANDERSON, went down to Cuba and begged for two crops of sugar to meet the needs of America at war as well as for the sustaining and maintenance of the economy at home.

At a risk of not being able to build up new markets for her sugar elsewhere, Cuba adhered to the urgent appeal of Secretary of Agriculture Anderson and agreed to turn over to the United States two full crops of sugar during the period of this horrible and disastrous war. Cuba sold us that sugar for about 4 cents per pound while the world price was 8 cents to 10 cents per pound. No doubt, she could have disposed of this sugar elsewhere at a higher figure. We are under moral obligation to Cuba to assure her of the major share of our business in sugar. Secretary ANDERSON speaking for the people of this Nation said to the officials of the Cuban Government:

If you will help us out of this emergency, we will not forget you.

I believe that the conferees have in a great measure fulfilled this obligation, although I feel that it would have been wise and proper to have given Cuba even a larger share of this increased use of sugar that will be consumed by the people in this country. Our housewives during World War II cried out for sugar not only to meet ordinary daily family needs, but they were most anxious to obtain sugar for the canning of food, principally fruits. In addition, the bottlers of soft drinks were urging that they obtain a sufficient amount of sugar to carry on operations. These demands were in addition to the necessary sugar requirements of our armed services and allies. Yes, Cuba came to our aid when we needed her. She is a true friend.

The 4-year duration provision as contained in the House bill was adopted in conference as against the Senate 6-year extension. All in all, the conference report is meritorious, and I trust that the membership of the House will approve it.

Mr. HILL. Mr. Speaker, on July 30, 1955, this House passed H. R. 7030, revision and extension of the Sugar Act of 1948, by a vote of more than 4 to 1. Almost a year later we have H. R. 7030, as

amended by the Senate and adjusted by the conference committee, before us for final action.

I urge the members to support this compromise bill to extend the Sugar Act of 1948 for 4 more years.

This conference report is, in my opinion, an excellent compromise. It continues one of our better farm programs. The main feature of the conference report is the return to the historic formula of dividing increase quotas caused by the increasing use and demand for sugar due to population growth.

The original Sugar Act of 1937 reserved 55.59 percent of this increasing consumption of sugar to domestic cane and beet areas. The Sugar Act of 1948 eliminated this provision. It provided that the allocation of increased consumption of sugar should be on the basis of 96 percent to Cuba and 4 percent to other foreign producers.

Prior to the enactment of the present law my home State of Colorado planted and harvested more than 167,000 acres of sugar beets. After the fixed quotas of the 1948 act were applied, Colorado harvested 60,000 acres less than in 1947. For the past 2 years there has been a continued tightening of the quotas and a resulting drop in sugar-beet acreage. Under this bill domestic producers will once again be able to share in supplying the increasing demand for sugar.

Coupled with this return to the historic formula of dividing increased consumption the conferees adopted a provision of the Senate bill which would set aside the first 165,000 tons of increased quota to be divided between the sugar beet and cane growers of the continental United States. This will restore some of the recent acreage cuts.

The Secretary of Agriculture, I assume, will make the same provisions for allocating these increased quotas to domestic areas as he has done in the past.

The operation of the Sugar Act has been the most orderly and successful of all our agriculture programs. It is necessary to extend and improve this act to meet changing conditions. The conference committee adopted this report unanimously and I believe the House should accept these recommendations.

Mr. DIXON. Mr. Speaker, I rise in support of the conference report.

Our honored members of the conference committee are to be congratulated upon this splendid conference report. Their work has borne fruit because:

First. It gives greater sugar allotments to the domestic sugar beet and sugar-cane industries.

Second. It takes nothing from present offshore allotments, but merely permits the domestic industry to enjoy 55 percent of the increase in consumption of our own country.

Third. It gives some increased allotment to Mexico, Peru, and the Dominican Republic, which countries give the United States so much of their trade by permitting them to share more equitably in supplying America's increased consumption needs.

Fourth. It diverts into the production of sugar, a commodity not in surplus supply in the United States, acre-

ages now employed in producing surplus crops.

Fifth. It carries no appropriation of money. The sugar program supported by a very small excise tax on imported sugar has shown a profit of \$312 million since it became effective in 1937.

For these and other reasons, I urge the adoption of the conference report.

Mr. THOMSON of Wyoming. Mr. Speaker, this is a moment for which the American farmers producing sugar have waited a long time—a much longer time than they should have been required to wait. I urge the immediate adoption of the conference report. It is a tremendous improvement over the bill that passed the House last July 30, almost a year ago. Those conferees and others who have supported these changes have shown a real understanding of the farm problem and a real concern for the American farmer and the American economy. They are to be congratulated.

Under the conference report the domestic producer will share to the extent of 55 percent—his historic basis—in the increased sugar consumption commencing next year. This reestablishes the principle that the American farmer producing sugar beets or cane sugar is to be permitted to share in the growth of America. The implications on the overall farm program are far broader.

That the American beet and sugar growers have had to wait too long is regrettable, to say the least. An increase in the tonnage allotment with a corresponding increase in acreage planted to sugar should have been granted this year. It seems to be pretty well established that our farm problem is one of surpluses and acreage restrictions. Here is a crop that we produce domestically only about one-half of what we consume. Land put into the production of sugar would have been taken out of the production of some other crop with a snowball effect to improve our general agricultural condition. Under other legislation, land is to be taken out of production at taxpayers expense. Here was an opportunity to put land into production to improve the farm economy and the general economy of the Nation. Let the record speak for itself. Myself, and several others, introduced bills early in the last session to accomplish this. Not until last July 30, on the even of adjournment, was a bill presented to the House and acted upon. The Senate passed a bill in February 1956. Not until last Friday, May 11, did conferees meet. I repeat—it is regrettable that action was not taken in the time and in the form to have done some good this year.

I again call attention to the fact that we did not at any time propose to reduce the amount of sugar that Cuba or any other country had previously exported to this country. We merely asked that the American farmer be permitted to share in the growth of America by being allowed to share in the increased demand for sugar.

Some people would still attempt to confuse this with the price support programs on our so-called basic commodities. It is obvious to anyone that this is not such a price support program but is a

control on the amount of imports which may come into this country. No one should object to that, particularly when we keep in mind that on some of the so-called basic crops we permit no import of competitive products and have been or are considering subsidizing the export of such commodities.

I again urge the immediate adoption of the conference report. Commencing in 1957, it will benefit not only our farmers who raise sugar but our general agricultural economy.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. GROSS. Do I understand that this bill provides for increased production of domestic sugar?

Mr. POAGE. This bill gives to the domestic producers 55 percent of the market, which is more than they have been having; yes.

Mr. GROSS. So it does provide for increased production?

Mr. POAGE. Yes; it does.

Mr. GROSS. Increased acreage for sugar beets and so on and so forth?

Mr. POAGE. Yes.

Mr. GROSS. Does this have the approval of Ezra Benson?

Mr. POAGE. I did not ask Mr. Benson about it.

Mr. GROSS. I thank the gentleman.

Mr. POAGE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is the conference report on the recurring sugar bill. I think most of the membership are familiar with the fact that it becomes necessary from time to time to pass a sugar bill. We have been passing sugar bills for more than 20 years. It has been one of the agricultural programs that has worked very well.

This program actually supports sugar at 98 percent of parity for domestic producers. So those of us who have believed in high supports have felt that it had some special merit. This program supports sugar at a rather high level, a good deal higher than almost any other level of agricultural support in the United States.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. GROSS. That is one of the reasons why I asked whether this bill has the support of the Secretary of Agriculture.

Mr. POAGE. Of course, the gentleman possibly is in a better position than I am to know the mind of the Secretary of Agriculture; but it is a program which most people of the United States have felt for some years worked reasonably well.

Mr. GROSS. Let me put it this way. The Secretary of Agriculture did not oppose the bill, then?

Mr. POAGE. He did not. As a matter of fact, the Secretary of Agriculture is definitely on record in favor of this kind of program for sugar and of a similar program for wool. But he is on record as being opposed to a similar program for almost anything else that I know of.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. At what percentage of parity is sugar supported?

Mr. POAGE. Ninety-eight percent.

Mr. HAYS of Ohio. And what is the percentage for wool?

Mr. POAGE. One hundred and six percent.

Mr. HAYS of Ohio. What are the two principal crops of the State of Utah?

Mr. POAGE. I do not live in Utah.

Mr. HAYS of Ohio. Are they not wool and sugar?

Mr. POAGE. I could not deny that.

But getting back to this bill, I think we have a reasonably well-worked-out program here if you accept the philosophy that we should extend to the domestic growers more than half of the market. Personally I have felt that the 50-50 division that we have long had between domestic and foreign growers was rather sound. While I do believe in supporting domestic production at a substantially high figure, I have never believed that you could support production on any crop with unlimited production. Consequently it was my own thought that we were making a mistake when we attempted in this report to provide as much acreage in the United States as the American farmers would use and then support the crop at 98 percent of parity. I have always thought that if we had a high support price we ought to accept some restrictions in production, just as we do with all other commodities. But that philosophy was rejected by a majority of the conferees so that this bill does provide for an increase in the acreage for American producers.

Mr. WOLVERTON. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. Would the gentleman inform me what was done by the conferees with respect to the allowance that was granted by the House to Mexico for sugar?

Mr. POAGE. Yes. I have just mentioned the increase in the domestic production. That leaves only 45 percent of the increase for foreign nations. It leaves them with what they now have plus 45 percent of the increase in sugar consumption. Mexico had practically nothing to start with. We increased the allowance to Mexico so that Mexico gets a little more than 5 percent of the total increase.

Let me give the rest of the figures: 29.59 percent of the total increase goes to Cuba; 4.33 percent goes to Peru; 4.95 percent goes to the Dominican Republic; 5.1 percent goes to Mexico. All others get 1.03 percent of the total increase.

Mr. WOLVERTON. I take it from what the gentleman has said that it is an increase of the allowance to Mexico?

Mr. POAGE. It is a larger percentage increase, I believe, than to any other foreign country.

Mr. WOLVERTON. I am gratified to note that because I think there are reasons why Mexico would be justified in expecting a larger percentage than it has formerly had.

Mr. POAGE. The committee felt that due to the geographical location and the possibility of supplying the United States no matter what happened to the seaports it was well to give special consideration to Mexico.

Mr. WOLVERTON. In addition, there is no country in Central and South America that trades with us to the extent that Mexico does.

Mr. POAGE. That is correct, although I believe it was shown that the Dominican Republic buys more from the United States in proportion to what we buy from them than any sugar-producing country. The only other thing that I think is noteworthy in this report is that this extends the Sugar Act for 4 years. That was the House figure. I believe that is all there was in dispute between the House and the Senate.

The SPEAKER pro tempore (Mr. McCormack). The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

REPUBLICAN CURTAILMENT OF MAIL SERVICE TO RURAL PATRONS

Mr. PRESTON. Mr. Speaker, I rise to invite the attention of this body once again to the shameful curtailment of mail service to the rural citizens of this country. The claim is made that small post offices have been closed, rural carrier service curtailed, and rural mail service generally rendered inconvenient and inadequate because of alleged savings. I shall demonstrate that these so-called savings are minute in the extreme while the destruction of adequate rural mail service has been devastating to millions of our rural citizens.

In testimony before the Appropriations Subcommittee considering the 1957 budget, Mr. Norman R. Abrams stated:

The discontinuance of small post offices has continued. We discontinue small post offices whenever we can do it and give equally good or better service with economy being shown. We have to date closed 3,048 post offices up to December 31 of this year from January 20, 1953, with savings of about \$4,267,000.

Mr. Speaker, here we have the admission, nay the boast, that literally millions of rural citizens have had their mail service curtailed at a savings to the Post Office Department that is so small as to be negligible.

As to the claim that "equally good or better service" is given the patrons of the discontinued post office, this is absurd. Every Member of this House knows from his own constituents that the service substituted is practically never commensurate with that offered by the small post offices.

But let us consider the so-called savings effected by the hardships on our rural citizens. Mr. Abrams says that \$4,267,000 have been saved.

Now, what is the budget of the Post Office Department for 1957? The 1957 budget is \$3 billion.

Mr. Speaker, the Post Office Department has with deliberate premeditation

worked untold hardship on millions of our rural citizens at a savings of less than two-tenths of 1 percent of its budget.

The Post Office Department is spending 3 billions of dollars. Yet it has deprived millions of our citizens of adequate mail service at a total saving over a period of 3 years of a little more than one-tenth of 1 percent of our budget.

The so-called saving of slightly more than \$4 million in a total budget of \$3 billion is being made at the cost of hardship on millions of our rural citizens.

We know what this Republican administration has done to farmers in the matter of lowering their income by billions of dollars. The closing of thousands of rural post offices at an infinitesimal saving seems additional evidence of the Eisenhower administration's determination to grind down our rural population to the status of second-class citizens.

FOREIGN AID COSTS

Mr. BOW. Mr. Speaker, as the time draws near for our annual debate on the global giveaway program, it seems to me that we may understand it better if we can relate it to some local issue.

Such an issue was a proposal for \$1,306,000 in new school bonds that appeared on the ballot in Plain Township, Ohio, last week, and failed to pass. The money was to be used to complete Plain Township high school, to add 12 classrooms to another school, and to build a new junior high school. I feel that the voters probably recognize a need for these schools and want to build them. I think that if there is any one reason for defeat of the bond issue, it is the fact that citizens generally feel they are overburdened with taxes and they are unwilling to add to that burden no matter how desirable the purpose.

I mention this because my computation shows that the cost of the new foreign-aid program for the citizens of Plain Township is almost the same as the amount of their bond issue. My analysis indicates that \$1,352,312 of the Federal taxes collected from the people of Plain Township would be used as their share of the \$4.9 billion foreign-aid program now before us.

The margin by which these citizens defeated the bond issue was very narrow.

If they had an opportunity to vote on foreign aid, I think they would vote "No" by an overwhelming majority.

If we could reduce Federal taxes by the amount these good Americans must now pay for our worldwide WPA, there would be little doubt about their willingness and ability to support local schools.

Similar comparisons could be made for any of our communities, and I think they should be in order to give an understanding of just what these vast amounts really mean.

I am told that the total cost of foreign aid since the end of World War II is about \$57½ billion. Since Ohio contributes 6.36 percent of total Federal revenue this means Ohio people have a heavier per capita load than Americans generally.

While the national per capita cost of foreign aid for the past decade is about \$380, the per capita cost based on Ohio's actual contribution to Federal income is \$459.44 for every man, woman and child in our State. Based on the last census, we have contributed over \$3½ billion to foreign aid. The 16th Congressional District has sent \$189 million to foreign lands.

On the same basis, each Ohio resident is now asked to contribute an additional \$39.21 for the new aid program. I should not have said "asked." Unless Congress reverses its record of the past several years, it will simply be taken from them, over my protest.

The new proposal means a drain of \$11 million on Stark County, nearly \$3 million from Tuscarawas, and over \$2 million from Wayne County.

We are facing a taxpayers revolt in this country. The most common topic of conversation, the most frequent complaint in congressional correspondence is about high taxes. The defeat and near defeat of bond issues all over the Nation this spring is a symptom of public sentiment on this subject. The people are critical of extravagance in Government at every level, from the school district to the Federal Government. And, they are particularly critical of the continued flow of American tax dollars abroad. I hope that this sentiment has made itself felt in Washington this spring, and that the Congress will not again acquiesce, almost without objection, to the tremendous outlay required for continued foreign aid.

Mr. Speaker, the following are the facts. I submit them for study:

Foreign aid costs, 16th District, Ohio (based on 1950 census): New proposal, \$4,900,000,000.

Stark County:

Alliance.....	\$1,025,772
Beach City.....	36,857
Brewster.....	63,441
Canal Fulton.....	49,346
Canton.....	4,574,119
East Canton.....	39,249
Louisville.....	149,037
Massillon.....	1,160,390
Minerva.....	128,608
Navarre.....	69,127
North Canton.....	161,094
Waynesburg.....	49,326
Wilmot.....	13,900

Total urban..... 7,911,480

Total rural..... 3,192,556

Total county..... 11,104,036

Tuscarawas County:

Baltic.....	19,320
Barnhill.....	15,391
Bolivar.....	30,427
Dennison.....	175,761
Dover.....	375,711
Gnadenhutten.....	35,082
Midvale.....	24,493
Mineral City.....	32,585
Newcomerstown.....	178,795
New Philadelphia.....	508,891
Parral.....	7,832
Port Washington.....	20,155
Roswell.....	10,595
Shanesville.....	18,222
Stone Creek.....	8,054
Strasburg.....	53,536
Sugar Creek.....	34,857
Tuscarawas.....	27,447

Public Law 545 - 84th Congress
Chapter 342 - 2d Session
H. R. 7030

AN ACT

To amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101 (d) of the Sugar Act of 1948, as amended, is amended to read as follows:

Sugar Act of
1948, amendments
61 Stat. 922.
7 USC 1100.
Definitions.

“(d) The term ‘raw sugar’ means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar.”

SEC. 2. Section 101 (e) of such Act is amended to read as follows:

“(e) The term ‘direct-consumption sugar’ means any sugars principally of crystalline structure and any liquid sugar (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality.”

SEC. 3. Section 101 (i) of such Act is amended by deleting the parenthetical word “(Clerget)”.

SEC. 4. Section 101 of such Act is amended by adding at the end thereof a new paragraph to read as follows:

“(n) The term ‘to be further refined or improved in quality’ means to be subjected substantially to the processes of (1) affination or defecation, (2) clarification, and (3) further purification by adsorption or crystallization. The Secretary is authorized, after such hearing and upon such notice as he may by regulations prescribe, to determine whether specific processes to which sugars are subjected are sufficient to meet the requirements of this paragraph (n) and whether sugars of specific qualities are raw sugar within the meaning of paragraph (d) of this section, or direct-consumption sugar within the meaning of paragraph (e) of this section.”

SEC. 5. Section 201 of such Act is amended by striking in the second sentence thereof the words “1947 prior to the termination of price control of sugar” and inserting in lieu thereof “1947-1949”.

Base period.
7 USC 1111.

SEC. 6. Section 202 (a) of such Act is amended to read as follows:

“(a) (1) For domestic sugar-producing areas by apportioning among such areas four million four hundred and forty-four thousand short tons, raw value, as follows:

Proration of
quotas.
65 Stat. 318.
7 USC 1112.
Domestic.

Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	1, 080, 000
Virgin Islands-----	12, 000

“(2) To the above total of four million four hundred forty-four thousand short tons, raw value, there shall be added an amount equal to 55 per centum of the amount by which the Secretary’s determination of requirements of consumers in the continental United States for the calendar year exceeds eight million three hundred and fifty thousand short tons, raw value. Such additional amount shall be apportioned among and added to the quotas established under paragraph

70 Stat. 217.
70 Stat. 218.

(1) of this subsection for such domestic sugar-producing areas, respectively, as follows: (A) The first one hundred sixty-five thousand short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 51.5 per centum to the domestic beet sugar area and 48.5 per centum to the mainland cane sugar area; (B) the next twenty thousand short tons, raw value, or any part thereof, by which such quotas are so increased shall be

apportioned to Puerto Rico; (C) the next three thousand short tons, raw value, or any part thereof, by which such quotas are so increased shall be apportioned to the Virgin Islands; (D) any additional amount shall be apportioned on the basis of the quotas established in paragraph (1) of this subsection as adjusted by subparagraphs (A), (B), and (C) of this paragraph (2)."

Foreign.
7 USC 1112.

SEC. 7. Section 202 (c) of such Act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:

"(2) For the calendar year 1957 and for each subsequent calendar year, for foreign countries other than the Republic of the Philippines, (A) by prorating to Cuba 96 per centum and to other foreign countries 4 per centum of the amount of sugar, raw value, by which eight million three hundred and fifty thousand short tons, raw value, or such lesser amount as determined pursuant to section 201 exceeds the sum of four million four hundred and forty-four thousand short tons, raw value, and the quota established pursuant to subsection (b) of this section; and (B) by prorating 45 per centum of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of eight million three hundred and fifty thousand short tons, raw value, as follows:

Country	Per centum
Cuba-----	29.59
Peru-----	4.33
Dominican Republic-----	4.95
Mexico-----	5.10
Other countries-----	1.03
	<hr/> 45.00

The above proration of 1.03 per centum to foreign countries other than Cuba, the Republic of the Philippines, Peru, the Dominican Republic, and Mexico shall be apportioned to such other countries whose average entries within the quotas during 1953 and 1954 exceeded one thousand short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

"(3) For the calendar year 1957 and for each subsequent calendar year, the proration of 4 per centum under paragraph (2) (A) of this subsection for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than one thousand short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954; second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than one thousand nor more than two thousand short tons, raw value, a proration of three thousand short tons, raw value; third, by assigning to each foreign country whose average entries within the quotas during 1953 and 1954 were more than two thousand and less than three thousand short tons, raw value, a proration equal to the average entries from each such country within the quotas during 1953 and 1954, plus two thousand short tons, raw value; fourth, by assigning to each foreign country whose average entries within the quotas during 1953 and 1954 were not less than three thousand nor more than ten thousand short tons, raw value, a proration equal to the average entries from each such country within the quotas during 1953 and 1954; and, fifth, by prorating the balance of such proration to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded

70 Stat. 218.
70 Stat. 219.

ten thousand short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

SEC. 8. Section 202 of such Act is amended by adding the following new subsection: 65 Stat. 318.
7 USC 1112.

“(e) Whenever in any year any foreign country with a quota or proration thereof of more than ten thousand short tons fails to fill such quota or proration by more than 10 per centum and at any time during such year the world price of sugar exceeds the domestic price, the quota or proration thereof for such country for subsequent years shall be reduced by an amount equal to the amount by which such country failed to fill its quota or proration thereof, unless the Secretary finds that such failure was due to crop disaster or force majeure or finds that such reduction would be contrary to the objectives of this Act. Any reduction hereunder shall be prorated in the same manner as deficits are prorated under section 204.”

SEC. 9. (a) The second sentence of section 204 (a) of such Act is amended by inserting before the period at the end thereof a colon and the following: *Provided*, That any deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under the provisions of section 202 (a) (2) shall first be prorated to other domestic areas on the basis of the quotas then in effect”. Proration of
deficits.
65 Stat. 319.
7 USC 1114.

(b) The last paragraph of section 204 (a) of such Act is amended by inserting before the period at the end thereof a semicolon and the following: “except that in the case of proration of any such deficit in any domestic sugar-producing area occurring by reason of inability to market that part of the quota for such area allotted under and by reason of section 202 (a) (2), the Secretary shall apportion the unfilled amount on such basis and to such other domestic areas as he determines is required to fill such deficit, and if he finds that no domestic area will be able to supply such unfilled amount, he shall add it to the quota for Cuba”.

SEC. 10. Section 205 (a) of such Act is amended by inserting immediately before the final sentence thereof the following: “In making such allotments, the Secretary may also take into consideration and make due allowance for the adverse effect of drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions seriously and broadly affecting any general area served by the factory or factories of such person.”. Allotments.
61 Stat. 926.
7 USC 1115.

SEC. 11. (a) Section 207 (a) of such Act is amended by adding after the word “year” the following: “, plus an amount equal to the same percentage of twenty-nine thousand six hundred and sixteen short tons, raw value, that the increase in the quota for Hawaii under section 202 is of one million fifty-two thousand short tons, raw value,”. Direct-con-
sumption sugar.
Hawaii.
70 Stat. 219.
70 Stat. 220.

(b) Section 207 (b) of such Act is amended by striking the period at the end thereof and by adding the following: “which shall be principally of crystalline structure, plus an amount equal to the same percentage of one hundred twenty-six thousand and thirty-three short tons, raw value, that the increase in the quota for Puerto Rico under section 202 is of one million eighty thousand short tons, raw value, which latter amount may be filled by direct-consumption sugar whether or not principally of crystalline structure.”. Puerto Rico.
70 Stat. 219.
70 Stat. 220.

SEC. 12. Section 207 (h) of such Act is amended by striking out “The” after “(h)” and inserting in lieu thereof “(1) For the calendar year 1956, the” and by adding the following new paragraph: 65 Stat. 319.

“(2) For the calendar year 1957 and each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar to the extent

7 USC 1111.

of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: *Provided*, That such limitation shall not apply to countries receiving prorations under section 202 (c) of seven thousand short tons or less. The direct-consumption portion of such quota which is subject to the 1.36 per centum limitation referred to above shall be prorated to countries which receive prorations under section 202 (c) of more than seven thousand short tons on the basis of average imports of direct-consumption sugar within the quota for the years 1951, 1952, 1953, and 1954."

7 USC 1131.
Domestic pro-
ducers.
Conditional
payments.
7 USC 1132.

SEC. 13. Section 301 (b) of such Act is amended by inserting after the words "(or processed)" the following: ", except for livestock feed, or for the production of livestock feed, as determined by the Secretary,".

SEC. 14. Section 302 (b) of such Act is amended by inserting after "(or processed)" the words "within the proportionate share" and by striking the period at the end thereof and inserting the following: "and of the producers in any local producing area whose past production has been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions. For the purposes of establishing proportionate shares hereunder and in order to encourage wise use of land resources, foster greater diversification of agricultural production, and promote the conservation of soil and water resources in Puerto Rico, the Secretary, on application of any owner of a farm in Puerto Rico, is hereby authorized, whenever he determines it to be in the public interest and to facilitate the sale or rental of land for other productive purposes, to transfer the sugarcane production record for any parcel or parcels of land in Puerto Rico owned by the applicant to any other parcel or parcels of land owned by such applicant in Puerto Rico."

Forfeitures.
61 Stat. 933.
7 USC 1155.

SEC. 15. Section 405 of such Act is amended by inserting "(a)" at the beginning thereof, by striking out "(a)" and "(b)" and inserting in lieu thereof "(1)" and "(2)", respectively, and by adding the following new subsection:

"(b) Any person whose sugar processing operations otherwise meet the requirements of section 101 (n) and who subjects to such processes sugar imported or brought into the continental United States under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality, shall forfeit to the United States a sum equal to 1 cent per pound for each pound, raw value, of such sugar in excess of that part of the direct-consumption portion of the applicable quota or proration or allotment thereof remaining unfilled at the time of such determination, which forfeiture shall be recoverable in a civil suit brought in the name of the United States."

Nonapplicability.
of penalty.
7 USC 1156.
7 USC 1135.

SEC. 16. Section 407 of such Act is amended by adding at the end thereof the following sentence: "The provisions of this section shall not apply to persons whose services are obtained pursuant to section 305."

7 USC 1101 note.
70 Stat. 220.
70 Stat. 221.
Regulations.

SEC. 17. Section 411 of such Act is renumbered as section 412, section 412 of such Act is renumbered as section 413, and a new section 411 inserted as follows:

"SEC. 411. The Secretary is authorized to issue such regulations as may be necessary to carry out article 7 of the International Sugar Agreement for the Regulation of the Production and Marketing of Sugar (ratified by and with the advice and consent of the United States Senate on April 29, 1954), restricting importations of sugar into the United States from foreign countries not participating in

TIAS 3177.

such agreement, or to carry out the corresponding provisions of any such future agreements ratified by and with the advice and consent of the United States Senate."

SEC. 18. Renumbered section 412 of such Act (relating to termination of the powers of the Secretary under the Act) is amended by striking out "1956" in each place it appears therein and inserting in lieu thereof "1960". 7 USC 1101
note.
Termination.

SEC. 19. Sections 4501 (c) and 6412 (d) (relating to the termination of taxes on sugar) of the Internal Revenue Code of 1954 are amended by striking out "1957" in each place it appears therein and inserting in lieu thereof "1961". Taxes.
68A Stat. 533,
795.
26 USC 4501,
6412.

SEC. 20. Section 4502 (4), chapter 37, subchapter A, "Sugar", of the Internal Revenue Code of 1954 is amended as follows: Strike out the parenthetical word "(Clerget)" where it occurs in the first sentence and delete the second sentence thereof. 26 USC 4502.

SEC. 21. (a) Section 4504, chapter 37, subchapter A, "Sugar", of the Internal Revenue Code of 1954 is amended by adding before the period at the end thereof the following: ", and except that such tax may be subject to refunds as a tax under the provisions of section 418 (a)". 26 USC 4504.

(b) Section 6418 (a) of chapter 65 of the Internal Revenue Code of 1954 is amended by striking out the "(a)" immediately following "section 4501". 26 USC 6418.

SEC. 22. Except as otherwise provided, the amendments made hereby shall become effective as of January 1, 1956, except that sections 1 through 4 shall become effective upon publication in the Federal Register of regulations implementing such sections, or six months after the date of enactment of this Act, whichever is earlier. Effective dates.
Publication in FR.

Approved May 29, 1956.

84TH CONGRESS
1ST SESSION

H. R. 7030

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 1955

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LONG to the bill (H. R. 7030) to extend and amend the Sugar Act of 1948, as amended, and for other purposes, viz: Strike out all after the enacting clause and insert the following:

1 That section 101 (d) of the Sugar Act of 1948, as
2 amended, is amended to read as follows:

3 “(d) The term ‘raw sugar’ means any sugars (exclusive
4 of liquid sugar from foreign countries having liquid sugar
5 quotas), whether or not principally of crystalline structure,
6 which are to be further refined or improved in quality to pro-
7 duce any sugars principally of crystalline structure or liquid
8 sugar.”

1 SEC. 2. Section 101 (e) of such Act is amended to
2 read as follows:

3 “(e) The term ‘direct-consumption sugar’ means any
4 sugars principally of crystalline structure and any liquid
5 sugar (exclusive of liquid sugar from foreign countries hav-
6 ing liquid sugar quotas), which are not to be further refined
7 or improved in quality.”

8 SEC. 3. Section 101 (i) of such Act is amended by
9 deleting the parenthetical word “(Clerget)”.

10 SEC. 4. Section 101 of such Act is amended by adding
11 at the end thereof a new paragraph to read as follows:

12 “(n) The term ‘to be further refined or improved in
13 quality’ means to be subjected substantially to the processes
14 of (1) affination or defecation, (2) clarification, and (3)
15 further purification by adsorption or crystallization. The
16 Secretary is authorized, in accordance with findings based on
17 public hearings to determine whether specific processes to
18 which sugars are subjected are sufficient to meet the require-
19 ments of this paragraph (n) and whether sugars of specific
20 qualities are raw sugar within the meaning of paragraph
21 (d) of this section, or direct-consumption sugar within the
22 meaning of paragraph (e) of this section.”

23 SEC. 5. Section 201 of such Act is amended by striking
24 in the second sentence thereof the words “1947 prior to the

1 termination of price control of sugar” and inserting in lieu
 2 thereof “1947-1949”.

3 SEC. 6. Section 202 (a) of such Act is amended to
 4 read as follows:

5 “(a) (1) For domestic sugar-producing areas by appor-
 6 tioning among such areas four million four hundred and
 7 forty-four thousand short tons, raw value, as follows:

	“Short tons, raw value
“Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	1, 080, 000
Virgin Islands-----	12, 000

8 “(2) To the above total of four million four hundred
 9 forty-four thousand short tons, raw value, there shall be
 10 added an amount equal to 55 per centum of the amount by
 11 which the Secretary’s determination of requirements of con-
 12 sumers in the continental United States for the calendar year
 13 exceeds eight million three hundred thousand short tons,
 14 raw value. Such additional amount shall be apportioned
 15 among and added to the quotas established under paragraph
 16 (1) of this subsection for such domestic sugar producing
 17 areas, respectively, as follows: (A) The first one hundred
 18 sixty-five thousand short tons, raw value, or any part thereof,
 19 by which quotas for the domestic areas are so increased
 20 shall be apportioned 51.5 per centum to the domestic beet
 21 sugar area and 48.5 per centum to the mainland cane sugar

1 area; (B) the next twenty thousand short tons, raw value,
2 or any part thereof, by which such quotas are so increased
3 shall be apportioned to Puerto Rico; (C) the next three
4 thousand short tons, raw value, or any part thereof, by
5 which such quotas are so increased shall be apportioned
6 to the Virgin Islands; (D) any additional amount shall be
7 apportioned on the basis of the quotas established in para-
8 graph (1) of this subsection as adjusted by subparagraphs
9 (A), (B), and (C) of this paragraph (2).”

10 SEC. 7. Section 202 (c) of such Act is amended by
11 striking out “For” after “(c)” and inserting in lieu thereof
12 “(1) For the calendar year 1956, for” and by adding at
13 the end thereof the following new paragraphs:

14 “(2) For the calendar year 1957 and for each subse-
15 quent calendar year for foreign countries other than the re-
16 public of the Philippines, by prorating to Cuba 96 per
17 centum and to other foreign countries 4 per centum of the
18 amount of sugar, raw value, by which eight million three
19 hundred thousand short tons or such lesser amount as deter-
20 mined pursuant to section 201 exceeds the sum of four mil-
21 lion four hundred and forty-four thousand short tons, raw
22 value, and the quotas established pursuant to subsection (b)
23 of this section; and by prorating to Cuba 60 per centum and
24 to other foreign countries 40 per centum of the amount of
25 sugar, raw value, by which the amount determined pursuant

1 to section 201 exceeds the sum of eight million three hun-
2 dred thousand short tons plus the increase in quotas provided
3 for in subsection (a) (2) of this section.

4 “For the calendar year 1957, the quota for foreign
5 countries other than Cuba and the Republic of the Philip-
6 pines shall be apportioned, first, by assigning to each such
7 foreign country whose average entries within the quotas
8 during the years 1953 and 1954 were less than one thousand
9 short tons, raw value, a proration equal to its average
10 entries within the quotas during 1953 and 1954, and second,
11 by assigning to each such foreign country whose average
12 entries within the quotas during 1953 and 1954 were not
13 less than one thousand nor more than two thousand short
14 tons, raw value, a proration of three thousand short tons,
15 raw value, and third, by prorating the balance of such quota
16 to such foreign countries whose average entries within the
17 quotas during 1953 and 1954 exceeded two thousand short
18 tons, raw value, on the basis of the average entries within
19 the quotas from each such country for the years 1951, 1952,
20 1953, and 1954.

21 “For the calendar year 1958 and for each subsequent
22 calendar year, the quota for foreign countries other than
23 Cuba and the Republic of the Philippines shall be appor-
24 tioned, first, by assigning to each such foreign country
25 whose average entries within the quotas during the years

1 1953 and 1954 were less than one thousand short tons, raw
2 value, a proration equal to its average entries within the
3 quotas during 1953 and 1954, and second, by prorating
4 the balance of such quota among the remainder of such
5 countries on the basis of the final quotas established for such
6 countries pursuant to this section for the calendar year 1957.”

7 SEC. 8. Section 202 of such Act is amended by adding
8 the following new paragraph:

9 “(c) Whenever in any year any foreign country with
10 a quota or proration thereof of more than ten thousand short
11 tons fails to fill such quota or proration by more than 10
12 per centum and at any time during such year the world
13 price of sugar exceeds the domestic price, the quota or pro-
14 ration thereof for such country for subsequent years shall be
15 reduced by an amount equal to the amount by which such
16 country failed to fill its quota or proration thereof, unless
17 the Secretary finds that such failure was due to crop disaster
18 or force majeure or finds that such reduction would be con-
19 trary to the objectives of this Act. Any reduction hereunder
20 shall be prorated in the same manner as deficits are prorated
21 under section 204.”

22 SEC. 9. (a) The second sentence of section 204 (a)
23 of such Act is amended by inserting before the period at the
24 end thereof a colon and the following: “*Provided, That any*
25 deficit in any domestic sugar-producing area occurring by

1 reason of inability to market that part of the quota for such
2 area allotted under the provisions of section 202 (a) (2)
3 shall first be prorated to other domestic areas on the basis
4 of the quotas then in effect”.

5 (b) The last paragraph of section 204 (a) of such Act
6 is amended by inserting before the period at the end thereof
7 a semicolon and the following: “except that in the case of
8 proration of any such deficit in any domestic sugar-producing
9 area occurring by reason of inability to market that part of
10 the quota for such area allotted under and by reason of
11 section 202 (a) (2), the Secretary shall apportion the
12 unfilled amount on such basis and to such other domestic
13 areas as he determines is required to fill such deficit, and if
14 he finds that no domestic area will be able to supply such
15 unfilled amount, he shall add it to the quota for Cuba”.

16 SEC. 10. Section 205 (a) of such Act is amended by
17 inserting immediately before the final sentence thereof the
18 following: “In making such allotments, the Secretary may
19 also take into consideration and make due allowance for the
20 adverse effect of drought, storm, flood, freeze, disease, in-
21 sects, or other similar abnormal and uncontrollable conditions
22 seriously and broadly affecting any general area served by
23 the factory or factories of such person.”.

24 SEC. 11. (a) Section 207 (a) of such Act is amended by
25 adding after the word “year” the following: “, plus an

1 amount equal to the same percentage of twenty-nine thousand
2 six hundred and sixteen short tons, raw value, that the in-
3 crease in the quota for Hawaii under section 202 is of one
4 million fifty-two thousand short tons, raw value”.

5 (b) Section 207 (b) of such Act is amended by striking
6 the period at the end thereof and by adding the following:
7 “which shall be principally of crystalline structure, plus an
8 amount equal to the same percentage of one hundred twenty-
9 six thousand and thirty-three short tons, raw value, that
10 the increase in the quota for Puerto Rico under section 202
11 is of one million eighty thousand short tons, raw value, which
12 latter amount may be filled by direct-consumption sugar
13 whether or not principally of crystalline structure.”.

14 SEC. 12. Section 207 (h) of such Act is amended by
15 striking out “The” after “(h)” and inserting in lieu thereof
16 “(1) For the calendar year 1956, the” and by adding the
17 following new paragraph:

18 “(2) For the calendar year 1957 and each subsequent
19 calendar year, the quota for foreign countries other than
20 Cuba and the Republic of the Philippines may be filled by
21 direct-consumption sugar to the extent of 1.36 per centum of
22 the amount of sugar determined pursuant to section 201 less
23 the sum of the quotas established in subsections (a) and (b)
24 of section 202: *Provided*, That such limitation shall not apply
25 to countries receiving prorations under section 202 (c) of

1 seven thousand short tons or less. The direct-consumption
2 portion of such quota which is subject to the 1.36 per
3 centum limitation referred to above shall be prorated to
4 countries which receive prorations under section 202 (c)
5 of more than seven thousand short tons on the basis of aver-
6 age imports of direct-consumption sugar within the quota for
7 the years 1951, 1952, 1953, and 1954.”

8 SEC. 13. Section 301 (b) of such Act is amended by
9 inserting after the words “(or processed)” the following:
10 “, except for livestock feed, or for the production of livestock
11 feed, as determined by the Secretary.”.

12 SEC. 14. Section 302 (b) of such Act is amended by
13 inserting after “(or processed)” the words “within the pro-
14 portionate share” and by striking the period at the end thereof
15 and inserting the following: “and of the producers in any
16 local producing area whose past production has been ad-
17 versely, seriously, and generally affected by drought, storm,
18 flood, freeze, disease, insects, or other similar abnormal and
19 uncontrollable conditions. For the purposes of establishing
20 proportionate shares hereunder and in order to encourage
21 wise use of land resources, foster greater diversification of
22 agricultural production, and promote the conservation of
23 soil and water resources in Puerto Rico, the Secretary, on
24 application of any owner of a farm in Puerto Rico, is hereby
25 authorized, whenever he determines it to be in the public

1 interest and to facilitate the sale or rental of land for other
2 productive purposes, to transfer the sugarcane production
3 record for any parcel or parcels of land in Puerto Rico
4 owned by the applicant to any other parcel or parcels of land
5 owned by such applicant in Puerto Rico.”.

6 SEC. 15. Section 405 of such Act is amended by in-
7 serting “(a)” at the beginning thereof and by adding the
8 following new paragraph:

9 “(b) Any person whose sugar processing operations
10 otherwise meet the requirements of section 101 (n) and who
11 subjects to such processes sugar imported or brought into the
12 continental United States under a declaration that it is
13 raw sugar but which sugar subsequently is determined to
14 be of direct-consumption quality and to be in excess of the
15 direct-consumption portion of the applicable quota or pro-
16 ration or allotment thereof, shall forfeit to the United States
17 a sum equal to 1 cent per pound for each pound, raw value,
18 of such sugar in excess of the direct-consumption portion of
19 the applicable quota or proration or allotment thereof, which
20 forfeiture shall be recoverable in a civil suit brought in the
21 name of the United States.”

22 SEC. 16. Section 407 of such Act is amended by adding
23 at the end thereof the following sentence: “The provisions
24 of this section shall not apply to persons whose services are
25 obtained pursuant to section 305.”.

1 SEC. 17. Section 411 of such Act is renumbered as
2 section 412, section 412 of such Act is renumbered as sec-
3 tion 413 and a new section 411 inserted as follows:

4 “SEC. 411. The Secretary is authorized to issue such
5 regulations as may be necessary to carry out article 7 of
6 the International Sugar Agreement for the Regulation of
7 the Production and Marketing of Sugar (ratified by and
8 with the advice and consent of the United States Senate on
9 April 29, 1954), restricting importations of sugar into the
10 United States from foreign countries not participating in
11 such agreement, or to carry out the corresponding provisions
12 of any such future agreements ratified by and with the
13 advice and consent of the United States Senate.”

14 SEC. 18. Renumbered section 412 of such Act (relating
15 to termination of the powers of the Secretary under the Act)
16 is amended by striking out “1956” in each place it appears
17 therein and inserting in lieu thereof “1962”.

18 SEC. 19. A new section 414 is added to such Act as
19 follows:

20 “SEC. 414. (a) To alleviate the conditions which exist
21 in the continental United States sugar-producing areas by
22 reason of the quantities of surplus overquota sugar produced
23 in such areas, the Commodity Credit Corporation shall carry
24 out loans, purchases, or other operations with respect to

1 one hundred thousand short tons of sugar produced from the
2 1955 or previous crops in such areas.

3 “(b) Sugar acquired hereunder shall be disposed of out-
4 side the continental United States in such manner as the Cor-
5 poration determines will not unduly interfere with normal
6 marketings of sugar, including dispositions under the Agri-
7 cultural Trade Development and Assistance Act of 1954,
8 as amended.

9 “(c) No borrower shall be personally liable for any
10 deficiency arising from the sale of the sugar securing any
11 loan made under authority of this section, unless such loan
12 was obtained through fraudulent representations by the bor-
13 rower. This provision shall not, however, be construed to
14 prevent Commodity Credit Corporation from requiring the
15 borrower to assume liability for deficiencies in the quality
16 or quantity of sugar delivered under the loan, for failure
17 to properly care for and preserve such sugar, or for failure
18 or refusal to deliver the sugar in accordance with the require-
19 ments of the program.

20 “(d) Sugar acquired hereunder shall not be subject to
21 the provisions of title II of this Act.”

22 SEC. 20. Sections 4501 (c) and 6412 (d) (relating to
23 the termination of taxes on sugar) of the Internal Revenue
24 Code of 1954 are amended by striking out “1957” in each
25 place it appears therein and inserting in lieu thereof “1963”.

1 SEC. 21. Section 4502 (4), chapter 4, subchapter A,
2 “Sugar”, of the Internal Revenue Code of 1954 is amended
3 as follows: Strike out the parenthetical word “(Clerget)”
4 where it occurs in the first sentence and delete the second
5 sentence thereof.

6 SEC. 22. (a) Section 4504, chapter 37, subchapter A,
7 “Sugar”, of the Internal Revenue Code of 1954 is amended
8 by adding before the period at the end thereof the following:
9 “and except that such tax may be subject to refunds as a tax
10 under the provisions of section 6418 (a)”.

11 (b) Section 6418 (a) of chapter 65 of the Internal
12 Revenue Code of 1954 is amended by striking out the “(a)”
13 immediately following “section 4501”.

14 SEC. 23. The amendments made hereby shall become
15 effective January 1, 1956, except as otherwise designated
16 and except that required determinations and regulations may
17 be issued in 1955 for the calendar year 1956.

84TH CONGRESS
1ST SESSION

H. R. 7030

AMENDMENT

Intended to be proposed by Mr. LONG to the bill (H. R. 7030) to extend and amend the Sugar Act of 1948, as amended, and for other purposes.

AUGUST 1, 1955

Ordered to lie on the table and to be printed

Calendar No. 1482

84TH CONGRESS
2D SESSION

H. R. 7030

IN THE SENATE OF THE UNITED STATES

JANUARY 31 (legislative day, JANUARY 16), 1956

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LEHMAN to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, viz: On page 16, line 15, strike out all after the colon through line 7 on page 17 and insert in lieu thereof the following:

1 “(A) The first one hundred and eighty-eight thousand
2 short tons, raw value, or any part thereof, by which quotas
3 for the domestic areas are so increased shall be apportioned
4 45.2 per centum to the domestic beet area; 42.6 per centum
5 to the mainland cane area; 10.6 per centum to Puerto Rico;
6 and 1.6 per centum to the Virgin Islands; and (B) any
7 additional amount shall be apportioned on the basis of the
8 quotas established in paragraph (1) of this subsection as
9 adjusted by clause (A) of this paragraph (2).”

Calendar No. 1482

84TH CONGRESS
2d Session

H. R. 7030

AMENDMENT

Intended to be proposed by Mr. LEHMAN to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

JANUARY 31 (legislative day, JANUARY 16), 1956
Ordered to lie on the table and to be printed

Calendar No. 1482

84TH CONGRESS
2D SESSION

H. R. 7030

IN THE SENATE OF THE UNITED STATES

JANUARY 31 (legislative day, JANUARY 16), 1956

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LEHMAN to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, viz:

1 On page 21, line 22, strike out all after the comma
2 through line 3 on page 22 and insert in lieu thereof the
3 following: "plus any amount of increase in quota provided
4 for Puerto Rico under section 202 (a) (2) of this Act,
5 which latter amount may be filled by direct-consumption
6 sugar whether or not principally of crystalline sugar."

Calendar No. 1482

84TH CONGRESS
2D Session

H. R. 7030

AMENDMENT

Intended to be proposed by Mr. LENMAN to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

JANUARY 31 (legislative day, JANUARY 16), 1956

Ordered to lie on the table and to be printed

H. R. 7030

IN THE SENATE OF THE UNITED STATES

FEBRUARY 6 (legislative day, JANUARY 16), 1956

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CAPEHART to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, viz:

- 1 On page 18, in the table following line 2, opposite
- 2 “Cuba” strike out “33.8” and insert in lieu thereof “27”;
- 3 opposite “Peru” strike out “4.0” and insert in lieu thereof
- 4 “8.0”; opposite “Dominican Republic” strike out “2.0” and
- 5 insert in lieu thereof “3.0”; and opposite “Mexico” strike
- 6 out “4.0” and insert in lieu thereof “5.8”.

84TH CONGRESS
2D Session

H. R. 7030

AMENDMENT

Intended to be proposed by Mr. CAPENHART to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

FEBRUARY 6 (legislative day, JANUARY 16), 1956
Ordered to lie on the table and to be printed

Calendar No. 1482

84TH CONGRESS
2D SESSION

H. R. 7030

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 1956

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. CAPEHART to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, viz: On page 17, beginning with line 8, strike out all of section 7 and insert in lieu thereof the following:

1 SEC. 7. Section 202 (c) of such Act is amended by
2 striking out "For" after "(c)" and inserting in lieu thereof
3 "(1) For the calendar year 1956, for" and by adding at
4 the end thereof the following new paragraphs:

5 "(2) For the calendar year 1957 and for each subse-
6 quent calendar year for foreign countries other than the Re-
7 public of the Philipines, by prorating to Cuba 96 per
8 centum and to other foreign countries 4 per centum of the
9 amount of sugar, raw value, by which eight million three

1 hundred and fifty thousand short tons or such lesser amount
2 as determined pursuant to section 201 exceeds the sum of
3 four million four hundred and forty-four thousand short
4 tons, raw value, and the quotas established pursuant to
5 subsection (b) of this section; and by prorating to Cuba
6 60 per centum and to other foreign countries 40 per centum
7 of the amount of sugar, raw value, by which the amount de-
8 termined pursuant to section 201 exceeds the sum of eight
9 million three hundred and fifty thousand short tons plus the
10 increase in quotas provided for in subsection (a) (2) of
11 this section.

12 “For the calendar year 1957, the quota for foreign
13 countries other than Cuba and the Republic of the Philip-
14 pines shall be apportioned, first, by assigning to each such
15 foreign country whose average entries within the quotas
16 during the years 1953 and 1954 were less than one thousand
17 short tons, raw value, a proration equal to its average
18 entries within the quotas during 1953 and 1954, and second,
19 by assigning to each such foreign country whose average
20 entries within the quotas during 1953 and 1954 were not
21 less than one thousand nor more than two thousand short
22 tons, raw value, a proration of three thousand short tons,
23 raw value, and third, by prorating the balance of such quota
24 to such foreign countries whose average entries within the
25 quotas during 1953 and 1954 exceeded two thousand short

1 tons, raw value, on the basis of the average entries within
2 the quotas from each such country for the years 1951, 1952,
3 1953, and 1954.

4 “For the calendar year 1958 and for each subsequent
5 calendar year, the quota for foreign countries other than
6 Cuba and the Republic of the Philippines shall be appor-
7 tioned, first, by assigning to each such foreign country
8 whose average entries within the quotas during the years
9 1953 and 1954 were less than one thousand short tons, raw
10 value, a proration equal to its average entries within the
11 quotas during 1953 and 1954, and second, by prorating
12 the balance of such quota among the remainder of such
13 countries on the basis of the final quotas established for such
14 countries pursuant to this section for the calendar year 1957.”

84TH CONGRESS
2D Session

H. R. 7030

AMENDMENTS

Intended to be proposed by Mr. CANNON to
the bill (H. R. 7030) to amend and extend
the Sugar Act of 1948, as amended, and for
other purposes.

FEBRUARY 7, 1956

Ordered to lie on the table and to be printed

Calendar No. 1482

84TH CONGRESS
2D SESSION

H. R. 7030

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 1956

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. FULBRIGHT to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, viz: On page 15, strike out lines 21 to 24, inclusive, and insert in lieu thereof the following:

1 SEC. 5. Section 201 of such Act is amended to read
2 as follows:

3 "SEC. 201. The Secretary shall determine for each cal-
4 endar year, beginning with the calendar year 1948, the
5 amount of sugar needed to meet the requirements of con-
6 sumers in the continental United States: Such determina-
7 tions shall be made during the month of December in each
8 year for the succeeding calendar year (in the case of the
9 calendar year 1948, during the first ten days thereof) and

1 at such other times during such calendar year as the Secre-
2 tary may deem necessary to meet such requirements. In
3 making such determinations the Secretary shall use as a
4 basis the quantity of direct-consumption sugar distributed for
5 consumption, as indicated by official statistics of the Depart-
6 ment of Agriculture, during the twelve-month period ending
7 October 31 next preceding the calendar year for which the
8 determination is being made, and shall make allowances for
9 a deficiency or surplus in inventories of sugar, and for
10 changes in consumption because of changes in population and
11 demand conditions, as computed from statistics published by
12 agencies of the Federal Government; and, in order that
13 such determinations shall be made so as to protect the wel-
14 fare of consumers and of those engaged in the domestic sugar
15 industry by providing such supply of sugar as will be con-
16 sumed at prices which will not be excessive to consumers
17 and which will fairly and equitably maintain and protect
18 the welfare of the domestic sugar industry, the Secretary,
19 in making any such determination, in addition to the con-
20 sumption, inventory, population, and demand factors above
21 specified and the level and trend of consumer purchasing
22 power, shall take into consideration a return to domestic
23 cane and beet sugar producers (including payments under
24 title III of this Act) reflecting 90 per centum of the parity

1 price therefor, as determined under section 301 (a) of the
2 Agricultural Adjustment Act of 1938, as amended.”

3 On page 23, after line 21, insert the following new
4 section:

5 “SEC. . Section 304 of such Act is amended by
6 adding at the end thereof the following new subsection:

7 “ ‘(e) In no event shall payments be made to any
8 producer which will provide a total return to the producer
9 in excess of the amount of return considered by the Secre-
10 tary of Agriculture in making his determination under section
11 201 (a).’ ”

84TH CONGRESS
2D SESSION

H. R. 7030

AMENDMENTS

Intended to be proposed by Mr. FULBRIGHT to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

FEBRUARY 7, 1956

Ordered to lie on the table and to be printed

Calendar No. 1482

84TH CONGRESS
2^D SESSION

H. R. 7030

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 1956

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. FULBRIGHT to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, viz:

1 On page 25, line 10, strike out "1962" and insert in
2 lieu thereof "1958".

3 On page 25, line 14, strike out "1963" and insert in
4 lieu thereof "1959".

5 On page 19, lines 10 and 11, strike out "and for each
6 subsequent calendar year".

H. R. 7030

AMENDMENTS

Intended to be proposed by Mr. FULBRIGHT to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

FEBRUARY 7, 1956

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